

DAILY REPORT

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PRC TO CONTRIBUTE TO IFAD DROUGHT RELIEF FUND

OW250934 Beijing XINHUA in English 0727 GMT 25 Jan 86

[Text] Rome, January 24 (XINHUA) -- Representatives from 139 member states of the U.N. International Fund for Agricultural Development (IFAD) today agreed on ways to raise 500 million U.S. dollars in aid for drought-stricken African countries. The agreement came at the end of IFAD's 9th conference of fund management after four days of difficult negotiations over how much two major international organizations would have to contribute to the fund. IFAD had achieved only half its one billion U.S. dollars fund collection target before the conference because of differences over sharing.

According to one resolution, IFAD will collect over the next three years 500 million U.S. dollars as its supplementary fund, of which 300 million U.S. dollars will come from the 20 member states of the Organization of Economic Cooperation and Development (OECD) and the rest from the 12 members of the Organization of Petroleum Exporting Countries (OPEC). During discussions on the sharing, representatives from the OPEC states said that because of the decline in oil prices in the international market, they could donate only 184 million U.S. dollars. The OECD countries also wanted to reduce their donations from 300 millions to 276 million U.S. dollars. But they said they'd agree to the resolution if the OPEC countries agreed to donate their share of 200 million U.S. dollars by February 20. China, as a developing country, also offered 1.8 million U.S. dollars.

The meeting also adopted another resolution, "on special assistance program for the drought-hit south area of the Sahara Desert". Only Belgium, Sweden and Denmark promised to donate to that fund, however. France and Canada agreed to participate in the program, but made no promises of donations. Describing the adoption of the two resolutions as the success of the conference, IFAD's President Jazairi said that with the fund, the IFAD can do much more in helping the poorer countries develop their agriculture.

GUANGMINO RIBAO VIEWS SHEVARDNADZE'S JAPAN VISIT

HK271028 Beijing GUANGMING RIBAO in Chinese 17 Jan 86 p 4

[Article by Jiang Daoding, staff correspondent stationed in Tokyo: "Soviet Foreign Minister's Visit to Japan"]

[Text] On 15 January, Soviet Foreign Minister Eduard Shevardnadze arrived in Tokyo to begin a 5-day official visit. Observers held: Resumption of the regular consultations between the foreign ministers of Japan and the Soviet Union, which were discontinued for 8 years, means that tense relations between the two countries have eased. However, with the barrier -- the issue of the "northern territories" -- difficult to remove, improvement in bilateral relations remains very limited.

In 1979, together with the United States, Japan imposed economic sanctions against the Soviet Union in protest against its military invasion of Afghanistan. Since then, Japanese-Soviet relations have been in a "cooling" state, economic exchanges have gradually diminished, and trade volume has dropped sharply. Since the beginning of last year, with the changes in the international environment, both sides have been seeking ways of extending dialogue between themselves.

After achieving the objective of turning Japan into "a member of the community of Western countries," to strive for the status of "a big country politically," Yasuhiro Nakasone has further regarded the improvement of Japanese-Soviet relations as the final topic of setting "the postwar political final accounts" in foreign affairs. In March last year, prevailing over all domestic censures, he determinedly went to Moscow to attend the funeral ceremony of Konstantin Chernenko and held talks with Mikhail Gorbachev. In October, while attending celebrations marking the 40th anniversary of the founding of the United Nations, Nakasone expressed to the press his wish "to take a visit to the Soviet Union into account." Nakasone held that it was necessary to maintain a dialogue with the other superpower in upgrading Japan's international standing. The moment Gorbachev assumed office, he demonstrated an active stance of "attaching importance to Japan." In order to push his domestic economic reforms ahead, Gorbachev regards Japan as his important partner in economic cooperation. For this reason, he has conducted a series of "smile diplomacy" activities, creating an atmosphere for resuming regular consultations between the foreign ministers of the two countries.

The Soviet policy of attaching importance to economic development has great appeal to Japan. Japanese economic circles have a particularly strong interest in the four large chemical plants designated as key development projects in the Twelfth 5-Year Plan, which began this year. Since the beginning of last year, with an enlivened atmosphere of dialogue between the governments of the two countries prevailing, some active trends have emerged in nongovernmental economic exchange activities. In December last year, both sides signed a contract on joint development of chips and wood pulp for industrial use. This is another quite important economic cooperation move following the third contract signed by both sides 4 years ago on the development of the Soviet Far East's resources. Both sides also decided that the Japanese-Soviet Joint Economic Commission would hold a meeting in Moscow in April of this year to discuss development plans for petroleum and coal gas on the Sakhalin continental shelf. Many Japanese enterprises have decided to hold a large-sized "comprehensive exhibition of Japanese industry" in October of this year.

Changes in Soviet policy toward Japan hinge on Japan's strategy toward the United States. It has been reported that, at the present foreign ministerial consultations, Shevardnadze will ask Japan to support Gorbachev's tentative plan for convening "an all-Asia security protection meeting" aimed, first, at containing Japan's actions and breaking up the "relationship" between Japan and the United States as allies; second, at making the boundary lines formed after World War II permanent through the proposed meeting and thus shelving the issue of "northern territories"; and third, at reversing its present inferior position in the Pacific region. The Japanese Ministry of Foreign Affairs has indicated that it will reject the Soviet proposal.

The most important barrier hindering Japanese-Soviet relations is still the issue of the "northern territories." Japan has repeatedly stressed that solving the issue of the "northern territories" is the important topic at the present foreign ministerial consultations. Only when the issue of the "northern territories" is solved can a peace treaty be concluded and cooperative relations in various fields be developed in a stable political environment. However, as of Shevardnadze's arrival in Japan there has been no indication that the Soviet Union has changed its stand that "the issue of territories has been solved." A fierce debate between Japan and the Soviet Union focusing around this issue is expected. According to Japanese newspapers, on the premise of adhering to the notion of "politics and economics are inseparable," the Japanese side will barter expansion of economic and cultural exchanges for Soviet concessions on the issue of the northern territories so as to return the status to that of "the issue of the northern territories has not been settled," a status affirmed by the 1973 Japanese-Soviet summit. However, in any case, the momentum for expanded Japanese-Soviet dialogue, which is already under way, will not change.

ZHAO ZIYANG SPEAKS ON OPEN POLICY TO BUSINESSMEN

OW271631 Beijing XINHUA in English 1614 GMT 27 Jan 86

[Text] Beijing, January 27 (XINHUA) -- Premier Zhao Ziyang said today China's drive against economic crimes and other unhealthy tendencies would "by no means affect its policy of opening to the outside world." "As for those unhealthy tendencies," he said, "we should neither take a laissez-faire attitude and let them go unchecked, nor should we give up eating because some things don't go down well."

Zhao was speaking here to a delegation from the board of directors of Pepsico, the U.S. soft drink manufacturer, in China for the opening of the company's second Pepsi-Cola bottling plant -- in Guangzhou, capital of Guangdong Province in southern China. "The day we adopted the policy of opening to the outside world and invigorating our domestic economy, we decided we would consistently crack down on illegal economic practices to ensure smooth implementation of the policy," he said. Zhao said the food processing industry -- including soft drinks -- had an "important place" in government development plans for light industry, along with household electrical appliance and garment manufacturing. He said China had abundant resources and a large domestic market for its food industry, but its food processing technology was outdated. In order to upgrade that technology, he said, China wanted to work with foreign enterprises in ways that would help meet the needs of the Chinese people, including joint research. Zhao predicted that Sino-U.S. trade would continue to grow. But he added that the two countries should work together to correct their current trade imbalance -- which favors the United States. Donald M. Kendall, chairman of Pepsico, said that there was great potential for cooperation between his company and China, and the two sides could explore ways of cooperation in many areas.

ALLIES RELUCTANT TO SUPPORT LIBYAN SANCTIONS

OW250814 Beijing XINHUA in English 0715 GMT 25 Jan 86

[Text] Washington, Jan. 24 (XINHUA) -- U.S. Deputy Secretary of State John Whitehead returned here this afternoon after ending a 10-day trip to Canada and eight European countries, having apparently failed to persuade the Western allies to support Washington's economic sanctions against Libya. During the trip, which included stops in Canada, Federal Germany, France, Turkey, Italy, Greece, Belgium, Britain, and the Netherlands, Whitehead met with the leaders of the nine countries and proposed a four-step program for Western allies to take economic action against Libya. Whitehead's proposal included reduction in Libyan oil imports, a ban on shipments of high technology to Libya, curtailment of air traffic to Tripoli, and cuts in embassy staffs. However, most of the countries expressed reluctance to follow the American lead and to take action against Libya, agreeing only not to take up the slack left by the withdrawal of American trade and investment from Libya. Many of these countries made it clear that while they agreed with the American objectives in seeking to curb terrorism, they disagreed with the tactics pursued by the Reagan administration, such as the application of punitive economic measures against Libya.

U.S. President Ronald Reagan announced January 7 a comprehensive economic boycott against Libya, which Washington has accused of backing the terrorist attacks on the Rome and Vienna airports last December 27. The U.S. has since urged its allies repeatedly to support its actions. Although the reactions from some countries have been somewhat cool, and even critical, Whitehead said earlier today in The Hague, the last stop on his European tour, the United States will continue to consult with the allies on what steps can [be] taken to combat terrorism. Meanwhile, Pentagon sources said today that fighter planes from American aircraft carriers have begun to conduct a week-long series of flight operations off the Libyan coast in the central Mediterranean.

GORBACHEV SENDS MESSAGE ON TEST MORATORIUM

OW250740 Beijing XINHUA in English 0656 GMT 25 Jan 86

[Text] Moscow, January 23 (XINHUA) -- Soviet leader Mikhail Gorbachev has stated that his country's unilateral moratorium on nuclear testing cannot go on forever if the United States fails to join it, the official news agency TASS reported today. Gorbachev made the statement in a message to the leaders of Argentina, Greece, India, Tanzania, Mexico and Sweden, hand-delivered by special envoys, TASS said.

The Soviet leader stressed in the message that it is vital to tap all opportunities "to get the imposition of a bilateral Soviet-U.S. moratorium" and "to move forward towards complete and universal prohibition of nuclear tests." "The U.S.S.R.'s unilateral moratorium cannot, certainly, be extended ad infinitum," the Soviet leader declared.

TASS said that Gorbachev has informed the leaders of the six countries of the new Soviet initiative on arms limitation and disarmament. He explained the essence of the concrete stage-by-stage program of complete and universal elimination of nuclear weapons by the year 2000, and stressed the need for an agreement on banning the development, testing and deployment of space-based weapons, TASS added. The Soviet initiative was announced by the Soviet leader on January 15, the eve of a new round of U.S.-Soviet disarmament talks in Geneva. The initiative included the extension of the Soviet unilateral moratorium on nuclear tests to March 31 of this year. The moratorium had originally been for the period from August 6 to the end of 1985. The leaders of the six countries last year issued a joint call for the two superpowers to stop their arms race.

SOUTH YEMEN'S AL-'ATTAS LEAVES MOSCOW FOR HOME

OW260235 Beijing XINHUA in English 0210 GMT 26 Jan 86

[Text] Moscow, January 25 (XINHUA) -- The newly-named interim head of state of Democratic Yemen, Hayder al-'Attas, left here for home yesterday as the situation in his country was returning to normal, Soviet news agency TASS reported today. Al-'Attas and his foreign minister 'Abd al-Dali were seen off at the airport by Soviet First Vice-Premier Geydar Aliyev.

Al-'Attas and Al-Dali were stranded in India when fierce fighting broke out in his country on January 13. Since their arrival in Moscow on January 16, Soviet party Politburo member Yegor Ligachev and alternate member Boris Ponomarev held two rounds of talks with them on the situation in Democratic Yemen. Ligachev assured them of continuing Soviet support for that country.

A TASS despatch from Aden yesterday reported that Al-'Attas was named provisional head of state to replace President 'Ali Nasir Muhammad by the Socialist Party of Democratic Yemen at a plenum on Friday. His appointment was confirmed the same day by that country's Supreme People's Council (national parliament). The TASS despatch also reported that the military actions in Aden had been "completely stopped" and the situation there was "gradually normalizing." At its Friday plenum, TASS said, the Socialist Party reviewed the developments in that country since January 13, and pledged its "adherence to the ideals of scientific socialism and the principles of proletarian internationalism." TASS added that the party meeting "highly valued" the support and solidarity from the Soviet Union and other socialist countries. Strengthening and developing the relations with these countries will be the "corner-stone" of the foreign policy of Democratic Yemen, the meeting emphasized.

TOLKUNOV COMMENTS ON MIDEAST, GENEVA TALKS

OW251150 Beijing XINHUA in English 1127 GMT 25 Jan 86

[Text] Paris, January 24 (XINHUA) -- A senior Soviet official said here today that the Soviet Union will cooperate with "the new leaders" of Democratic Yemen if they would honor the friendship and cooperation treaty between the two countries, the AGENCE FRANCE PRESSE reported. The rivals of Democratic Yemeni President 'Ali Nasir Muhamed seemed to have already "taken" the country, said Lev Tolkunov, chairman of Soviet of the Union of the Supreme Soviet of the U.S.S.R., according to AFP.

Democratic Yemen was thrown into a civil war as President Nasir reportedly declared he had 'Abd al-Fattah Isma'il, secretary-general of the Yemeni Socialist Party, and several other rivals "executed" on January 13. The situation there has become unclear since then, with both warring sides claiming control over the country.

Tolkunov, who arrived here Wednesday for a visit at the invitation of the French-Soviet friendship group of the French Senate, also told reporters that the relations between the Soviet Union and Israel should be normalized only after, not before, the convocation of an international peace conference on the Middle East. "It would be better to wait for the results of the peace conference," he said. This is because a normalization of the relations before the conference, plus hardliner Yitzhaq Shamir in power, would harden Israel's position in the Middle East conflicts, he added. The Soviet Union severed its diplomatic ties with Israel following the outbreak of the Israeli-Arab War in 1967.

About the nuclear disarmament talks in Geneva, Tolkunov reiterated that his country will not reduce its nuclear weapons if the United States goes ahead with the "star wars" program.

YELTSIN CRITICIZES GRISHIN AT MOSCOW CONGRESS

OW251921 Beijing XINHUA in English 1859 GMT 25 Jan 86

[Text] Moscow, January 25 (XINHUA) -- The newly-appointed first secretary of Moscow City's Committee of the Soviet Communist Party (CPSU), Boris Yeltsin, at a Moscow's party congress Friday severely criticized the previous party committee for "serious mistakes" in the presence of his predecessor Viktor Grishin who is still a member of the CPSU's Politburo, the Soviet newspaper MOSCOW PRAVDA reported today. In his lengthy speech at the congress published by the paper, Yeltsin bitterly censured a number of Moscow's party and government top officials by name and blamed them for their bad management of Moscow's food supply, urban traffic, housing and other matters.

In the past two years, some 86 party officials of enterprises and organizations in the city have been expelled from the party and a large number of officials punished administratively. Grishin was removed from his post last December. The meeting were attended by the Soviet Communist Party General Secretary Mikhail Gorbachev, and many other members of the party Politburo or Secretariat.

BEIJING RADIO ON KOREAN REUNIFICATION PROSPECTS

OW260530 Beijing Domestic Service in Mandarin 1150 GMT 22 Jan 86

["International Current Events" program: Part One: "The Situation on the Korean Peninsula and the Cause of the Division of Korea"]

[Excerpts] The division of Korea into Southern and Northern parts has been a fact for 40 years, and it has caused immense sufferings to the Korean people, both in the South and in the North. Today, every patriotic Korean with a sense of national pride -- regardless of where they live or their age -- yearns for an end to the division of the Korean people and the reunification of their beautiful country through serious negotiations. In short, early reunification of Korea is the unanimous aspiration of the 60 million Korean people.

Why is it then that reunification still cannot be achieved? What is the main problem? Let us now discuss this issue briefly.

With U.S. support, the Southern part of Korea became the so-called Republic of Korea, whose first president was the proverbial reactionary Syngman Rhee, who willingly served the imperialists, violently opposed communism and the independent and peaceful reunification of Korea, and time and again raised a hue and cry to invade the North and unify Korea militarily. On 25 June 1950, U.S. imperialists wantonly launched an aggressive war and invaded the DPRK in the North by force. On 25 October the same year, Chinese volunteers went to Korea to support the Korean people's just war against aggression. On 27 July 1953, the United States was forced to sign an Armistice Agreement with Korea and China.

Although it has been more than 30 years since the signing of the armistice accord U.S. troops are still stationed in South Korea. Moreover, they have made it a practice each year to hold mammoth military exercises with the troops of the South Korean authorities. The United States has also been supplying all sorts of military equipment and modern weapons to the South Korean authorities. All this has seriously violated the spirit of the Korean Armistice Agreement. The greatest obstacle to Korea's independent and peaceful reunification, therefore, is the stationing of U.S. troops in South Korea and U.S. interference in Korea's internal affairs.

During the past 4 decades, the KWP [Korean Workers Party] and the DPRK have made unremitting efforts to achieve the independent and peaceful reunification of Korea. According to incomplete estimates, the KWP and the DPRK Government have put forward more than 200 relevant plans and proposals, including specific measures for reunifying the country. Since 1985, there has appeared in the Korean peninsula a tendency to ease the tension there. Both the North and the South have had dialogues and contacts at all levels, and they have made some practical progress.

Of course, there is still a long way to go before Korea can achieve its independent and peaceful reunification. Dialogues and relaxation of tension, however, are what the Korean people want, and they are also conducive to Asian security and world peace. Such being the case, the prospects are bright for the independent and peaceful reunification of Korea.

Part Two

OW270357 Beijing Domestic Service in Mandarin 1150 GMT 23 Jan 86

["International Current Events" program: Second of two parts: "The Situation on the Korean Peninsula and the Cause of the Division of Korea"]

[Text] Listeners, yesterday we introduced the situation in the Korean peninsula and the origin of partition between the South and North. Today let us discuss the developments in dialogue and contacts between the two sides in the past year or so.

On the basis of progress in 1984, the trend to reconciliation in the Korean peninsula further developed in 1985. The major characteristics of this development were that the North and South, which had long faced each other in a tense atmosphere, were conducting dialogue and contacts at different levels, and through different channels, with some concrete results.

The North-South dialogue began in the 1970s. There have been two high points: One was the talks between the Red Cross Societies and Coordination Committees of both sides in the early 1970s; the other was the preparatory talks for a meeting between the premiers of both sides in the early 1980s. Dialogue has been held intermittently in the past decade or so, and was resumed in 1984 after a 3-year suspension. However, an incident occurred in Panmunjom on 13 November of that year in which U.S. and South Korean security guards killed security guards from the North. Afterwards, the United States and South Korea again staged the largest joint military exercise since 1976, creating a discordant atmosphere for North-South dialogue. People were worried that the resumed dialogue might again be suspended.

However, it was, after all, the mid-1980s, and the major world trend was toward peace and development. North-South relations, which reflect the ups and downs of the situation in the Korean peninsula, should, as was pointed out by the Supreme People's Assembly of the North in a letter to the South, not seek confrontation within the nation or enhancement of tensions; instead, dialogue should be held to open up a way to reconciliation and peace.

There were contacts, either official or unofficial, in many fields, including political, economic, sports, and visits by separated families, between the North and South in 1985 and various degrees of success were achieved. These, plus contacts through hot lines between the two sides, made 1985 an unprecedented year in terms of frequency of contacts in the 40 years of South-North division. Some world news agencies selected the North-South dialogue and exchange of personnel as one of the 10 top news events of 1985. This is an encouraging, good sign.

In 1985, the two sides altogether held four rounds of economic talks, three of Red Cross talks, and two of preparatory negotiations for parliamentary talks. The Olympic Committees of both sides also discussed, under the sponsorship of IOC President Samaranch in Lausanne, Switzerland, the possibility of co-hosting the 1988 Olympic Games. These talks involved a wide variety of subjects, and the atmosphere was relatively harmonious. Both sides were able to calmly exchange views, earnestly consider the other side's proposals and suggestions and, on the basis of each making concessions and seeking common ground while reserving differences, reach agreement or identity of views in some areas.

During the four rounds of economic talks, the two sides agreed, in principle, to form a North-South Economic Cooperation Joint Committee, with vice premiers as chairmen. It was also proposed that each side set up an economic cooperation committee and a draft plan for economic cooperation, and an exchange be worked out. The talks laid a foundation for item-by-item discussions and the conclusion of a final agreement in the future.

The Red Cross Societies of both sides held three rounds of official negotiations last year, alternately in Pyongyang and Seoul. They discussed a package of five subjects, and reached agreement in principle on the question of free interaction between separated families and relatives. Although they did not make substantive progress on the question of reunion of 10 million separated families and relatives, the two sides accomplished the exchange of visits by song and dance troupes and groups of divided family members on 20-23 September. Although the number of personnel from each side was limited to 151 and the venues were confined to Pyongyang and Seoul, this exchange was the first concrete action toward reconciliation in the 40 years of division and confrontation between North and South. It was the first exchange of personnel. It not only gave the 10 million separated families and relatives hope and confidence for a reunion, but also played a positive role in relaxing tensions in the Korean peninsula and promoting the peaceful reunification of Korea.

A new development in the North-South dialogue last year was the two rounds of preparatory negotiations for parliamentary talks, expanding from specialized subjects to the political field. The proposal for parliamentary talks was advanced in April last year by the Supreme People's Assembly of the North in a letter to the National Assembly of South Korea. Governments and legislatures of many nations expressed their active support for the proposal. After studying it for a relatively extended period, the South accepted the proposal and preparatory negotiations were held. During the discussions, the two sides confirmed the need to hold parliamentary talks, and reached an identity of views on the composition of delegations, the form and venue of the talks.

The dialogue and contacts between the North and South in 1985 enhanced mutual understanding and created an atmosphere of national harmony and trust. However, the two Koreas, after all, have been divided for 40 years. They have considerable differences in structure, system, and ideology and, moreover, there are many other factors standing in the way of national reunification. Therefore, there are, inevitably, many difficulties and obstacles in North-South relations. This requires both sides to exert concerted efforts to overcome or remove these obstacles.

Currently, there are still major differences in the fundamental stand and policies of the two sides on relaxing tensions in the Korean peninsula and bringing about peaceful reunification of the fatherland. The North holds that the two sides should hold parliamentary talks at an early date, in order to sign a joint statement of nonaggression and end military competition and confrontation. Moreover, it also hopes that the United States will join the North-South talks, making them tripartite, replace the Armistice Agreement with a peace treaty, and finally bring about the correct plan for the North and South to found a Democratic Federal Republic of Koryo. However, the South side-stepped these proposals. In the North-South dialogue, it only valued a material exchange in the economic area and freer interaction between separated families and relatives. Moreover, it wants U.S. troops to remain in South Korea. Such an attitude is certainly not conducive to the real relaxation of the situation in the Korean peninsula. It is also detrimental to the development of closer relations between the two sides.

What merits our attention is that the United States and the South Korean authorities did not accept the DPRK's proposal, and insist on staging large-scale joint military exercise in South Korea, beginning on 10 February. This is, apparently, not conducive to further contact and dialogue between the North and South. How to further push forward North-South dialogue, achieve concrete results, pave the way for a summit meeting of the two sides, and bring about a new situation for peaceful reunification -- this is an important task facing the North and South of Korea this year. It is also of interest to all people who want to see the tensions in the Korean peninsula alleviated.

ABE ADDRESSES JAPANESE DIET ON FOREIGN RELATIONS

OW271854 Beijing XINHUA in English 1843 GMT 27 Jan 86

[Text] Tokyo, January 27 (XINHUA) -- Japanese Foreign Minister Shintaro Abe, stressed today that he is determined to make the May summit of the seven industrialized countries in Tokyo a success, and to make further efforts for the establishment of lasting and stable relations between Japan and China. In a speech to both houses of the Japanese Diet, the foreign minister said that Japan will do its utmost to enable the summit to fully discuss ways of cooperation among themselves in achieving a stable development of the world economy. Abe said that Japan's relationship with the United States is a cornerstone of Japan's foreign policy.

As regard to Japan-China relations, Abe said a stable foundation has already been established for friendly bilateral cooperation. In future, he added, the two countries will continue to work for lasting and stable bilateral relations through continuous dialogues and on the basis of the Japan-China joint statement, the Japan-China treaty of peace and friendship and the four principles governing their relations -- peace and friendship, equality and mutual benefit, mutual trust, and long-term stability.

Abe evaluated the recent Tokyo foreign ministers' talks between Japan and the Soviet Union as a very important step toward the of relations between the two countries and a fresh start. He said he will continue to seek talks with Moscow on the northern territorial issue and the conclusion of a peace treaty. Abe pledged that Japan will open its door wider to other nations and will make greater efforts to help developing countries, especially in extending support and offering cooperation to Southeast Asian countries. He went on to note that the world has achieved progress in economic cooperation as a result of the agreement of the group of five nations on a weaker U.S. dollar and the holding of another round of trade talks. Yet there is a mountain of problems to surmount, which include budget deficits, growing protectionism and unemployment, he added. Under these circumstances, he said, there is a lot of things for Japan to do for the peace and prosperity of the world.

NAKASONE COMMENTS ON PRC RELATIONS TO DIET

OW272013 Beijing XINHUA in English 1956 GMT 27 Jan 86

[Text] Tokyo, January 27 (XINHUA) -- Japanese Prime Minister Yasuhiro Nakasone today pledged to continue efforts to ease Japan's frictions with its trading partners in the spirit of its "international" stature. In his policy speech to the 104th regular session of the Diet (parliament), which was formally reconvened by Emperor Hirohito today after a new year's recess, the Prime Minister said: "Overcoming external economic friction is an urgent task for making Japan a truly international state...and I will work steadily on this problem."

Japan's trade surplus with the United States was estimated at about 50 billion U.S. dollars last year, and it has a chronic surplus of more than 10 billion U.S. dollars with West European nations. Nakasone said his country will do its utmost to make contributions, worth of its international status, to the development of the world economy, because there will be no peace and prosperity for Japan without a peaceful and prosperous world. He stressed the importance of the Tokyo summit of industrial countries to be held in May and pledged to make this 12th seven-nation summit a success "so that it can mark the beginning of a new era of Atlantic-Pacific cooperation."

He said that to maintain and develop good and stable relations with China has always been one of the main pillars of Japan's diplomacy and his government will further its efforts to improve Sino-Japanese ties. The Japanese Government will try to seek trade balance with China while expanding bilateral economic exchanges, he added.

He described the recent visit by Soviet Foreign Minister Eduard Shevardnadze, the first by a Soviet foreign minister to Japan in a decade, as "highly significant" in improving Soviet-Japan relations. "Japan will continue to negotiate tenaciously with the Soviet Union to further improve the relationship and build relations of true stability," he said.

Saying that today's global peace and stability is based on the balance of nuclear and other forces, Nakasone urged the United States and the Soviet Union to make "drastic cuts in their nuclear arsenals." The 67-year-old prime minister also reiterated that Japan's alliance with the United States "is basic to Japanese foreign policy and further development is an important cornerstone for peace and stability in the Asia-Pacific region and all the world."

Nakasone said his government will work for the "steady implementation" of a new five-year defense buildup program, starting this year. He said Japan's security policies are designed to ensure its survival "in the harsh international climate." He added that Japan will "firmly maintain" its security arrangements with the United States and work to acquire "the minimum well-ordered and effective defense capability" to ensure its security.

He also pledged to carry out a series of reforms in the fields of administration, finance and education. The prime minister also noted that in contrast with Japan's own "zeal to assimilate foreign cultures and ideas, we have sometimes been derelict in our duty to help the rest of the world benefit from our Japanese ideas and cultural heritage." He therefore called on the country to seek "ways to show Japan off to the rest of the world and help people understand Japan better."

RENMIN RIBAO ON TRUTH BEHIND VIETNAM'S 'BRAGGING'

HK250902 Beijing RENMIN RIBAO Overseas Edition in Chinese 22 Jan 86 p 6

["Jottings" by Rong Jiu: "The Facts Behind the Bragging"]

[Text] Many people in the Vietnamese press are good at bragging. In the past, the chief editor of NHAN DAN, Hoang Tung by name, was promoted because of his cleverness at bragging. Today, the chief editor of the GUAN DOI NHAN DAN, Tran Cong Man by name, lauds the Vietnamese aggressor troops to the skies, saying how "serious" are the "setbacks" the Vietnamese troops caused to the Cambodian guerrillas in their last dry-season offensives.

However, like other trumpeters, this chief editor of the military press could not help revealing some facts in the face of the ironclad truth. Tran Cong Man said: The Cambodian guerrillas "harassed" the outskirts of Phnom Penh and Siem Reap, an important strategic point in the northwest, and other areas. This "rarely occurred" before 1984. For "security" reasons, foreigners "can no longer go" to most places in Cambodia, which were accessible to them in the past. What he said is true, but he dared not explain what had gone wrong. As a matter of fact, this is very simple. The patriotic Armed Forces of Democratic Kampuchea have gone to the hinterland to expand their operations, thus harassing the rear of the Vietnamese troops and making Vietnam afraid of having its sore spots touched by foreigners.

While referring to the current dry-season offensive, Tran Cong Man asserted that Vietnam need not "reduce its scale of combat in Cambodia." These words of his are worth pondering. Is the fact that authorities are moving troops and heavy weapons to western Cambodia, occasionally infringing on Thai territory, not enough to prove that Vietnam will on no account "reduce" the "scale" of its aggression against Cambodia? Why, then, did Tran Cong Man feel it necessary to clarify Vietnam's undoubted, fixed principle? From this remark of his, if people draw the conclusion that Vietnam has a phobia about telling the truth, Tran Cong Man will probably find it difficult to deny it!

THAI SPOKESMAN ON INDOCHINESE CONFERENCE

OW241324 Beijing XINHUA in English 1244 GMT 24 Jan 86

[Text] Bangkok, January 24 (XINHUA) -- Thailand does not recognize the ongoing "conference of the three Indo-China's Nations" nor the proposed "Indo-China's federation", Foreign Ministry spokesman Saowanit Khongsiri told a press conference here today. The conference of foreign ministers of Vietnam, Laos and the Hanoi-installed Heng Samrin regime in Kampuchea opened yesterday in Vientiane, capital of Laos.

The Heng Samrin regime cannot represent the Kampuchean people, Saowanit said. At the so-called foreign ministers' conference, he noted, the Lao people have no right to speak and the Kampuchean people have less right to speak, because their countries are under the occupation of Vietnamese troops. However, Saowanit said, Thailand will look into the joint communique issued after the conference in order to make clear Hanoi's actual attitude toward the Kampuchean issue, which has been changeful. Judging by the recent contact between Vietnamese and Indonesian officials, Saowanit said, Vietnam's attitude toward the problem remains unchanged. A country should not interfere in the internal affairs of another, he said, and Vietnam should leave the Kampuchean people to hold their election independently to determine their own fate.

JINGJI CANKAO ON THAILAND'S ECONOMIC DIPLOMACY

HK240732 Beijing JINGJI CANKAO in Chinese 15 Jan 86 p 1

["Special Report" from Bangkok by reporter Zhu Zhenguo: "Thai Foreign Ministry Energetically Develops Economic Diplomacy"]

[Text] The economic diplomacy of the Thai Foreign Ministry has played a more and more outstanding role in promoting Thailand's trade and economic relations with every country. Achievements in economic work have become important criteria for assessing the work of diplomatic personnel in the Foreign Ministry.

Last year was "a year of economic activities" for the Thai Foreign Ministry. Foreign Minister Sitthi and Deputy Foreign Minister Praphat, who is especially in charge of economic affairs, made frequent trips to foreign countries and regarded developing bilateral trade as one of the main tasks in their diplomatic activities. The Thai Foreign Ministry diplomats stationed at embassies and consulates in foreign countries worked as "salesmen" and went about cultivating new markets for Thai commodities in the countries to which they are accredited. In order to help the government solve difficulties in commodity exports, Foreign Minister Sitthi especially set up in the Foreign Ministry a "brain trust" composed of people from industrial and financial circles. Every time when he went abroad to visit foreign countries, he always brought with him a number of economic experts as advisers to offer advice and suggestions, so as to enhance the effectiveness of trade negotiations. Last year, as the EEC countries limited the import of cassava from Thailand, Thailand's cassava exports plunged into a difficult position. Therefore, Foreign Minister Sitthi led a number of cassava exporters on a visit to South Korea, resulting in a deal to export 600,000 tons of cassava products to South Korea this year. In February of last year, the United States placed an embargo on the import of textile products from Thailand, seriously hindering Thailand's apparel exports. The Foreign Ministry immediately sent a delegation headed by Under Secretary Asa Sarasin to Washington for negotiations and made the United States lift the embargo on the import of textile products from Thailand.

Last year, the Thai Foreign Ministry called a meeting of Thai diplomatic envoys to foreign countries, instructing its diplomatic missions to take expanding Thai commodity exports as a special task. In addition, the Thai Foreign Ministry also asked its organizations stationed in foreign countries to attract foreign capital and tourists.

CITIC NAMES LEGAL ADVISER IN KA WAH INVESTMENT

HK271022 Beijing XINHUA Hong Kong Service in Chinese 1007 GMT 27 Jan 86

[Text] Hong Kong, 27 Jan (XINHUA) -- Today, CITIC announced that it has appointed Baker and McKenzie Solicitors and Notaries as legal adviser on the recapitalization of the Ka Wah Bank.

Following is the English version of the CITIC announcement:

PRESS RELEASE

China International Trust and Investment Corp (CITIC)

The China International Trust and Investment Corp (CITIC) announces that they have appointed Baker & McKenzie Solicitors and Notaries as legal adviser in relation to the discussions taking place concerning their investment in the Ka Wah Bank Limited.

Hong Kong, January 27, 1986

PRC DELEGATE ATTENDS SAN MARINO CP CONGRESS

OW252022 Beijing XINHUA in English 1838 GMT 25 Jan 86

[Text] San Marino, January 24 (XINHUA) -- The eleventh National Congress of the Communist Party of San Marino (CPSM) opened here today. At the opening session tonight, CPSM General Secretary Gilberto Ghiotti delivered a speech entitled "A Role Played by Communists and Progressives in Political and Social Reforms."

Ghiotti said since the Communist Party is the ruling party, this congress should be a good chance to sum up its experience. The reductions of public deficits and unemployment, and the increase in production investment, he said, are good signs of what we have accomplished. The general secretary pointed out that his party will make continuous efforts to develop the national economy and culture, protect the environment and create more jobs.

Referring to foreign policy, he said that it is the CPSM traditional policy to uphold national independence, maintain world peace and strengthen unity among all nations. In his speech, he also demanded a negotiated just solution to the Palestinian issue and called for recognition of the Palestine Liberation Organization by all European countries.

The party congress was attended by 138 delegates representing 1,098 party members in the country. Representatives of more than 10 foreign communist parties and national liberation organizations were also attending the congress.

Wang Fu, representative of the Chinese Communist Party (CPC) and general consul of China to San Marino, today read at the congress a congratulatory message from the CPC Central Committee. The message said the Communist Party of San Marino, with its glorious tradition of struggle, has made continuous efforts to promote national economic, social and cultural development and maintain world peace. "We believe that the traditional friendship between our two parties and peoples will certainly be developed further," the message stressed.

Founded in 1941, the Communist Party of San Marino won 15 parliamentary seats in the 1983 general election. At present, the three-party coalition -- the Communist Party, the Socialist Party and the Unitary Socialist Party -- is in office. San Marino is a small republic on the Adriatic Sea in north central Italy with a population of about 22,000.

USSR DENIES ESPIONAGE CHARGE OF BRITISH MAGAZINE

OW230838 Beijing XINHUA in English 0702 GMT 23 Jan 86

[Text] London, January 22 (XINHUA) -- The Soviet Embassy today denied the claim of a British defence magazine that Soviet-trained agents had infiltrated a group of anti-nuclear movement campaigning outside an England Air Force base. A statement issued by the embassy said the report in JANE'S DEFENCE WEEKLY was "malicious slander... an attempt to arouse anti-Soviet hysteria and incite feelings of mistrust and animosity towards the Soviet Union."

The report in the magazine published today quoted unidentified Soviet defectors as saying as many as six agents had infiltrated the group of women who, for the past four years, have been camping outside the Greenham Common base to protest the stationing there of U.S. cruise missiles. Last September, the Soviet Union and Britain each expelled in a tit-for-tat struggle 31 diplomats, businessmen and reporters on charges of espionage.

YAO YILIN MEETS, FETES MOZAMBICAN VISITORS

OW241328 Beijing XINHUA in English 1316 GMT 24 Jan 86

[Text] Beijing, January 24 (XINHUA) -- Yao Yilin, member of the Political Bureau of the Chinese Communist Party Central Committee, met with Marcelino Dos Santos, member of the Political Bureau of the Liberation Front of Mozambique, his wife and their party here this evening. Yao briefed Dos Santos on China's rural economic growth.

After the meeting he gave a dinner in honor of Dos Santos, who is also secretary of the Permanent Commission of the People's Assembly, and his party. Dos Santos arrived here this morning on a vacation tour. This afternoon he had a discussion with Zhu Liang, head of the International Liaison Department of the CPC Central Committee.

Li Xiannian Hosts Visitors

OW271332 Beijing XINHUA in English 1317 GMT 27 Jan 86

[Text] Beijing, January 27 (XINHUA) -- Chinese President Li Xiannian met here this evening Marcelino Dos Santos, member of the Political Bureau of the Liberation Front of Mozambique, and his wife. Li exchanged views with Dos Santos on the present situation in Africa.

Li asked Dos Santos to convey regards from Chinese leaders Hu Yaobang, Deng Xiaoping and Zhao Ziyang to Mozambican President Samora Moises Machel. Dos Santos conveyed greetings from the Mozambican president to Li and other Chinese leaders. The Chinese president hosted a dinner for the visitors after the meeting. Lin Jiamei, wife of the Chinese president, and Juscelina Machel, daughter of the Mozambican president, were present. The Mozambican visitors are leaving here tomorrow for Shanghai and Guangzhou in southern China.

SIERRA LEONEAN PRESIDENT RECEIVES MINISTER

OW260748 Beijing XINHUA In English 0642 GMT 26 Jan 86

[Text] Freetown, January 25 (XINHUA) -- President J. S. Momoh said today Sierra Leone treasures the existing friendly relations with China and hopes to further develop the friendship and economic cooperation between the two countries. The Sierra Leonean president told Chinese Minister of Forestry Yang Zhong the Chinese people are Sierra Leone's best friends who have helped his country at the critical moment of development.

Minister Yang sent by the Chinese Government to attend the inauguration ceremony of the elected Sierra Leonean president delivered a congratulation message from Chinese President Li Xiannian. While stressing the desire of the Chinese Government and people to further enhance the bilateral friendship and cooperation, the representative of the Chinese Government said he sincerely hoped the government and the people of Sierra Leone will continue to achieve successes on the road of national development. Present at the meeting were Second Vice-President of Sierra Leone A.B. Kamara, Foreign Minister A.K. Koroma and Chinese Ambassador Luo Jiahuan.

NEW CCPIT HEAD JIA SHI MEETS TUNISIAN VISITORS

OW280942 Beijing XINHUA in English 0902 GMT 28 Jan 86

[Text] Beijing, January 28 (XINHUA) -- Jia Shi, chairman of the China Council for the Promotion of International Trade (CCPIT), met Mahmoud Zerzeri, president of the Chamber of Commerce of Tunisia and his party here Monday. Both sides expressed the desire to further economic and trade relations between the two countries.

Jia Shi, former vice-minister of foreign economic relations and jorade, replaced Wang Yaoting as CCPIT chairman recently.

ZHENG TUOBIN, GABONESE MINISTER DISCUSS TRADE

OW251136 Beijing XINHUA in English 1049 GMT 25 Jan 86

[Text] Beijing, January 25 (XINHUA) -- Chinese Minister of Foreign Economic Relations and Trade Zheng Tuobin held talks with Gabonese Minister of Water Resources, Forests and Reforestation Herve Moutsinga here this morning. The talks centered on the development of bilateral trade in timber and cooperation in tree felling and sea fishing as well as fish breeding.

PDRY CABINET MEETS; NASIR MUHAMMAD MASSES TROOPS

OW270800 Beijing XINHUA in English 0644 GMT 27 Jan 86

[Text] Djibouti, January 26 (XINHUA) -- Democratic Yemen's new Cabinet met for the first time today amid reports that former President 'Ali Nasir Muhammad was massing troops in his home province for a "showdown battle" with the rival forces. The Cabinet meeting was chaired by former Prime Minister Haydar Abu Bakr al-'Attas, who was appointed provisional president by the Yemen Socialist Party leadership Friday, according to radio Aden monitored here today. The radio report did not identify the ministers who attended the meeting but said those at the session discussed ways to resume production and water and electricity supplies, and to resettle the homeless residents in Aden, the war-torn capital of Democratic Yemen. A technical committee was also set up at the meeting to assess damages caused by the 12-day fighting and mapped out plans for reconstruction, the radio said.

Al-'Attas returned to Aden from Moscow Saturday when the situation in the capital reportedly was returning to normal. In a statement upon his arrival, he said he was satisfied by the outcome of talks with Soviet leaders. Meanwhile, Nasir Muhammad was reported to have mustered a 40,000-strong force of regulars and tribal warriors at his hometown in the Abyan Province east of Aden for what diplomats in Sanaa described as an "imminent showdown" with the rival forces.

In Sanaa, capital of neighboring Arab Yemen, one Arab diplomat said Nasir Muhammad has warned the opponents to lay down arms, or risk a counter offensive by Wednesday. The diplomat said the ultimatum was broadcast over a makeshift radio believed to be operating from the Abyan Province, 50 miles (80 kilometers) east of Aden. The radio quoted Nasir Muhammad as saying "our forces will march on Aden if they do not lay down their arms and return to the barracks by Wednesday."

In another development, the United Arab Emirates' newspaper AL-KHALI said the Soviet Union was providing the new leadership in Aden with unspecified numbers of military planes and tanks and ammunition. The Soviet Union has a air base in the Hadramawt Province and another base near Aden. According to reports from Aden, the new leadership has pledged to maintain relations with the Soviet Union and to continue efforts to improve ties with other Arab countries. The reports said Al-'Attas met Soviet Ambassador Vladislav Shukov and told him that Soviet support was important for the country's development. They also discussed ways to stabilize the situation.

Foreign Minister 'Abd al-'Aziz al-Dali, in a meeting with the Kuwaiti ambassador, assured him that his country would continue its policy of improving relations with other Arabian Peninsula countries, the reports said. However, one diplomat in Djibouti said Democratic Yemen was now virtually divided with the Abyan, Shibrhoh and Lahij Provinces under Nasir Muhammad's control and the other three provinces in the hands of the new leadership.

BUREAUCRATISM BLAMED FOR ECONOMIC CRIMES

HK260520 Beijing RENMIN RIBAO Overseas Edition in Chinese 26 Jan 86 p 2

[Commentator's article: "The Harm Done by Bureaucratism as Viewed From Economic Crime"]

[Text] The press and radio have recently reported a number of cases of economic crime and swindling in particular. The seriousness of some cases, which involves a huge sum of money, has shocked the public. The leading cadres of some localities and units, who are imbued with bureaucratism, have given the green light to these criminal offenders, thus causing enormous losses to the state and people. This matter deserves our attention.

Although the swindling activities present a false impression, they cannot withstand careful examination. So long as we concentrate our efforts on investigations and studies, they can easily be exposed. Some leading cadres have failed to conduct investigations and studies and have relaxed their vigilance against the illegal offenders. Consequently, they have done the foolish thing of helping the bad elements to do evil. Du Guozhen disguised himself as a "god of wealth" and committed crimes by performing his swindling tricks. Without making any investigation and study, the leading cadres of the Fuzhou government, the Fujian Federation of Trade Unions and the credit department of the Fuzhou branch of the Bank of China gave credence to his false account and gave the green light to his speculative and swindling activities. They agreed to engage in a joint business with him and prepared documents for him to start business, or publicized for him and provided places for him to commit crimes, or granted him funds with false supply and marketing contract papers. Du Guozhen could get more than 200 million yuan within a short period of only a few months because he relied to a great extent on the assistance of bureaucratism.

In China, laws and regulations stipulate in explicit terms business registration, the granting of bank loans, export trade, and so on. However, some of our leading cadres have neglected their duties and failed to follow the rules and regulations. A swindler named He Jiaqing asked the secretary of the Chengbei District CPC Committee of Puqi County, Hubei to offer him a license for running a steel rolling mill. According to regulations, one must have funds, raw materials, factory building, equipment, and guarantees of energy to run a mill. However, He Jiaqing had nothing to start with. How could his application for running a steel rolling mill be approved? With the personal influence of the leading cadres of the Chengbei District, a responsible comrade of the county CPC Committee ordered the industrial and commercial bureau to offer He a business license. Hence, He Jiaqing made use of the name of the "steel rolling mill" to swindle loans totaling over 1.8 million yuan.

It has always been our important principle to lay stress on politics while making use of personnel. However, some leading cadres have ignored and forgotten this principle. They neglected to examine the people they have chosen. As a result, they regarded the unprincipled people and even the offenders as good cadres and paid no heed to the serious problems reported by the masses involving these people. Li Changlan, a responsible person of the Yuanlongge Village post office in Daxing County, Beijing, took advantage of her post and embezzled more than 40,000 yuan from 1973 to 1981. As her practices were not exposed, she was chosen as an "advanced worker" of the county and municipal post offices and "outstanding party member" of Daxing County and was promoted to deputy director of the Daxing County post office. Some people suspected her because of her extravagant habits. But the leading cadres took no notice of this mass opinion, which actually sheltered her criminal activities. The materials of almost all major economic criminal cases and particularly swindling cases show that taking no heed of politics while making use of personnel has become a prominent question in a number of localities and departments, the economic departments in particular.

Bureaucratism is a chronic and stubborn disease. It would be impossible to eliminate bureaucratism without determination. Even with determination it would be impossible to eliminate bureaucratism for many years. Yet there are some cadres who stick to their old way of doing things and act as bureaucrats and overlords. They lack the rudimentary sense of responsibility to the party and people and have even neglected their duties. The lack of determination and ineffective measures adopted by some party and government leading organs in dealing with bureaucratism is the main reason that has encouraged such practices. The following phenomena have been common in recent years: Although some cadres have made serious mistakes, they are not sternly dealt with. Some are lightly punished or criticized. Those who have committed crimes owing to dereliction of duty do not have to bear responsibility for their crimes. Furthermore, they are punished according to party and administrative discipline rather than law. It is correct to educate and criticize those who have committed bureaucratic mistakes in general. However, those who have made grave mistakes in bureaucratism, thus causing enormous losses to the state and people, must be punished according to party discipline and state laws. Those who should be expelled from the party and removed from their posts must be dealt with accordingly, and those who have committed a crime should bear the responsibility according to law. Only in this way can we awaken the deaf, heighten the vigilance of those who have neglected their duties, and encourage the vast numbers of party members, cadres, and state functionaries to conscientiously perform their duties.

LESSONS LEARNED IN DU GUOZHEN CASE ANALYZED

HK240830 Beijing RENMIN RIBAO in Chinese 22 Jan 86 p 4

[Article by Sun Qimeng: "Do Not Sum Up a Lesson Lightly as 'Neglecting Class Struggle'"]

[Text] Based on a report in FUJIAN RIBAO, the 9 January issue of RENMIN RIBAO carried a news item on the Ningde Prefectural CPC Committee and Commissioner's Office in Fujian summing up the lessons of the case of the swindler Du Guozhen, saying "they all reviewed and drew lessons from the incident in three respects." The bitter lesson in the first respect was that "attention was attached to economic work only, while neglecting class struggle."

It is correct to draw lessons from mistakes. The leadership of Ningde Prefecture holds that "it is imperative to draw a lesson actively, which should not be dealt with passively," it is necessary to persist in the principle of invigorating the domestic economy and opening up to the outside world, which is also correct. However, the lesson they have drawn in the first respect is rather confusing. In the event that it might exert some bad influence, I would like to pose a question and try to analyze it.

First, in their own words, "what they had on their minds, what they saw, and what they had in their hands was money and encouraging cadres to make money; and that those who had made the most of it were the able." Thus Du Guozhen had taken advantage of this "leak," and cheated them into rendering services for Du the criminal. How could they have such erroneous ideas and commit such mistakes? It is said the cause lies in "the one-sidedness in their ideology," "as the work focus had been shifted to economic construction since the 3d Plenary Session of the 11th CPC Central Committee," "they forgot that class struggle will continue to exist in certain realms over a long period, and relaxed their vigilance." Have they pinpointed the root cause of their mistake? It seems questionable or at least it was not done correctly. They seemed to have affirmed they were "attaching importance to economic work only," when the one-sidedness in their ideology was regarded as "neglecting class struggle." But, in their own words, "they were looking forward to money in everything," which has nothing in common with the economic work stressed since the 3d Plenary Session of the 11th CPC Central Committee. Likewise, it is also groundless to make "neglecting class struggle" the root cause of "looking forward to money in everything."

Therefore, they should first ask themselves if they have studied in earnest the nature, purpose, principles, and policies of economic work the party has focused on? Do they have a clear idea of them or not? If they have, they should seriously examine themselves as to whether they have such problems as "forgetting righteousness when they see their own interests near at hand, losing the party spirit of communists, running counter to the party's purpose and program" as pointed out by the office of the Commission for Guiding Party Rectification Work under the CPC Central Committee? In short, they should attach attention to, grasp, and solve whatever problems in their true nature. Failing to examine themselves seriously in these respects, and to draw lessons from them, but summing up their problems in general as "neglecting class struggle" will not accord with the facts, and will not explain the crux of the problems; therefore, it will be very difficult genuinely to fulfill the aim of learning from past mistakes to avoid future ones.

Superficially, the leading cadres of Ningde Prefecture are not for "taking class struggle as the key link," but in reality, they have not genuinely and thoroughly negated this "key link." Does class struggle still exist in our economic realm? Class struggle will continue to exist in certain realms over a long period; this is positive. Back in 1979, Comrade Deng Xiaoping pointed out: "In socialist society, counterrevolutionaries, enemy spies, all kinds of criminals sabotaging socialist order, other bad elements, and new elements of the exploiting class engaged in graft, embezzlement, and speculation will continue to exist, and such phenomena will not be entirely exterminated over a long period of time. Our struggle against them cannot be the same as the struggle of one class against another in history (it is impossible for them to form into an open, complete class). However, it is still class struggle of a peculiar form, or the remainder of class struggle in history emerging in a peculiar form under socialist conditions." We must study social phenomena with such a Marxist class concept. In this way, we will not be led to being one-sided in ideological understanding on the question of class struggle during the present phase, or neglecting it or inflating it.

If the lessons are summed up in general as "neglecting class struggle," then we should like to ask "How we are to guide our actions with this lesson in the course of persisting in reform and the principle of opening up and invigorating the domestic economy?" Should we be vigilant against the "new trend of class struggle" in everything? Will we not go back to the old track of "grasp class struggle, and every problem will be solved"? If that is the case, we will be going back to the mistake of enlarging class struggle. We should by no means let it happen. It seems that we should establish a due concept of discipline, a concept of legal system, and a concept of serving the people heart and soul, and do away with any ideas and conduct of abusing power and bureaucratism on the one hand, and on the other, severely crack down on economic criminals and other criminals. By no means should we be lenient toward them. Only then, will it be possible to unfold our normal activities and do a good job in our economic work in implementing the principles of reform, opening up, and invigorating the domestic economy.

COMMENTATOR ADDRESSES PURPOSE OF WAGE REFORM

HK240716 Beijing GONGREN RIBAO in Chinese 18 Jan 86 p 1

[Commentator's article: "Correctly Understand the Purpose of the Wage Reform"]

[Text] The enterprises' wage reform is gradually being carried out. What is the purpose of the wage reform? This is an important question about which the leaders of enterprises and the broad masses of workers should be clear. For a long time, there have been a lot of disadvantages in our country's system of distribution of workers wages, and all of us have deeply felt this problem. The ongoing reform of the wages of distribution system and the implementation of the principle of distribution according to work are needed for the building of the four modernizations and demanded by the broad masses of workers.

In recent years, along with the progress of the reform, many enterprises have stopped the practice of "eating from the same big pot," and have improved their method of distribution. However, this is only the initial reform. Generally speaking, many aspects of the wage relations in the factories and enterprises need to be rationalized. The main purpose of the wage reform is to further implement the principle of distribution according to work, create conditions and lay a good foundation for the rationalization of wage relations in the enterprises, and gradually rationalize the distribution between mental and manual labor, between simple and complicated labor, and between strenuous labor and general labor. Of course, it is an extremely complicated task to rationalize wage relations completely and establish a complete set of scientific and rational wage systems. This work will take a long time and cannot be completed in one wage reform. The present wage reform aimed at rationalizing wage relations is only an initial one, but this step is very important. The success of this first step will lay a good foundation for the further reform of the wage distribution system in the future.

Over the past few years, workers' wages have been increasing very fast. It is somewhat like paying an old debt which is quite necessary. However, the increase in the consumption funds and the increase in the workers wages must conform with the increase in national income and the increase in labor productivity, otherwise our country's economic development will lack follow through, and will probably become prematurely senile, which would not conform with the fundamental interests of the people of the whole country, and of the broad masses of the workers. So, the increase in wages must conform with our country's economic strength. Although the wages of most of the workers will be increased because of the wage reform, the rate of increase will not be too big, and the long-standing problems concerning wages will not be solved at once. All the workers must regard the wage reform by taking into consideration the overall situation of our country's economic reform and development, and actively show concern for, support, and participate in the wage reform so as to ensure the smooth progress of the reform. If the wage reform is successful, the people's enthusiasm will be aroused, and production will develop fast, the long-term interests of the working class will be secured, and the living standards of the workers will continue to be improved and raised. We must attach utmost importance to the reform, and pool the wisdom and efforts of all the people in carrying out the wage reform so as to successfully accomplish the task of the wage reform.

PLANT DIRECTOR'S IDEOLOGICAL WORK SKILLS LAUDED

HK250342 Beijing RENMIN RIBAO in Chinese 22 Jan 86 p 1

[Commentator's article: "Make Ideological and Political Work Full of Vitality"]

[Text] Ideological and political work is the science of influencing people's minds. So this work must be rich and colorful in its forms, full of vigor and creativity. At present, we are undergoing some major historical changes, and new things and new questions keep emerging. How will we adapt this work to the requirements of the new situation and add creativity and vitality to our ideological work? Many people are considering this question and are exploring ways to solve this question. The whole party has also paid attention to this question. In recent years, many report groups composed of heroes and models have given speeches among the masses. They used their personal experiences to tell people about lofty ideals and the sense of discipline. Many leading cadres have also gone among the masses to hold candid and frank talks with people in all walks of life. These are all effective methods and have enriched the content of ideological and political work. The masses also welcome these vivid forms. Today, this newspaper reports about the experience of Zhang Mingrui, party branch secretary and director of the Dongsheng Chinese medicine plant, in handling ideological and political work, and it is sure that his story will help people greatly.

The characteristics of Zhang Mingrui's ideological work can be summarized into two points: First, making friends with people; and second, convincing people by telling the truth.

In order to make a socialist enterprise a success it is important to strengthen management, improve the economic responsibility system, strictly enforce the regulations and rules, and act according to economic laws. In our opinion, however, it is more important to attach high importance to people -- the most active factor of productive forces. The vigorous and creative socialist cause must be based on the joint efforts of the people. People are not machines. They have thoughts, feelings, desires, and worries. No computer program can make people operate mechanically. An important purpose of our ideological and political work is to guide our workers to pursue lofty ideals and to cherish higher aspirations in their work and life so as to arouse their enthusiasm for creating a bright future as masters of their fate. Zhang Mingrui treats all of his workers as his relatives. He is always thoughtful toward them and shares their concerns and worries. He often talks with the workers as if talking with relatives and friends to help them solve the questions on their minds in a pertinent way. So his ideological work always sends warmth to people's minds and shows his loving care for the people. He respects people's feelings and understands other people's positions. He never puts on airs as a leader with a superior position. The masses feel that he is accessible, amiable, and respectable. There are no mental barriers between this factory director and his workers. They can smoothly exchange their ideas and feelings. That is the foundation for achieving satisfactory results in ideological work.

If we want to do appealing ideological work, we should move people with sincere feelings and convince people by reasoning. Zhang Mingrui not only shares common feelings with the masses but also raises people's consciousness by reasoning. Yang Genwang, a young worker in his plant, was deeply moved by his remarks about being a good and useful man. Yang accepted his instructions and became a hardworking and promising young man. This reflected the effectiveness of Zhang Mingrui's arguments, which in fact are known to all people. But why are the workers in his plant so glad to accept his advice? This is because he can vividly integrate ideological education with people's daily activities. When talking about production, work, study, family, marriage, recreation, and other things, he skillfully conducts education in ideals, morals, discipline, and policies among the masses. When helping people solve questions in their minds, he also settles problems in actual work and in people's livelihood. So his ideological work is serious but not rigid, and is candid and conforms with the party's principles. People can learn a lot from his instructions and can widen their visions. So workers treat him as their elder brother who can always see farther, and they are willing to accept his instructions without reservation.

Forming close ties with the masses and convincing people through reason are the fine traditions of our party in the handling of ideological and political work. During the years of the revolutionary wars, officers and men in our army shared weal and woe and lived on intimate terms with one another. Cadres always showed concern for soldiers and helped soldiers solve problems in mind. Although the conditions were extremely hard, revolutionary ranks were brimming with warm feelings like in a big family; the people were full of revolutionary enthusiasm. This was an important factor in how our party was able to overcome all difficulties and win victories under the extremely hard conditions. However, the fine traditions were seriously undermined in a past period. In the years when "political work could overwhelm all other work," a report might cause a political incident; an article might stir up a political storm; and a slogan might make some people forfeit their lives...political work in those years was full of the smell of gunpowder and lacked human feelings. Since the downfall of the "gang of four," the methods and ways of political and ideological work have been changed, and it can no longer be used as a means of insulting people. The method of harsh criticism has also been discarded.

However, we need to make further efforts in order to restore the fine traditions. Now, some people's political instructions are still empty and hard to understand. It is hard for the masses to accept their indoctrination when it is not convincing or effective. The reason for Zhang Mingrui's successes lies in the fact that he proceeds from today's realities, carries forward the party's fine traditions, works meticulously, builds close friendships with his workers, and develops a united and harmonious atmosphere in his plant. All this is necessary to make a socialist enterprise a success and to modernize our country.

From the example of Zhang Mingrui, we see a fresh and vigorous trend in our ideological and political work and see the respectable and amiable image of our political cadres. Of course, Zhang Mingrui's plant is a small one with merely 100 workers; it is hard to require the leaders of big enterprises to imitate his practice. However, his work methods and work attitude can be taken as a good example for all people. Leaders in all departments and units and comrades in charge of party affairs and political work should, like Zhang Mingrui, show concern and loving care for people, respect other people's feelings, sincerely help others, accurately determine what people are thinking so as to effectively do ideological work and to make their ideological instructions acceptable and convincing. Then, our party style and our socialist conduct will be more rapidly and obviously improved.

RENMIN RIBAO COMMENTS ON CONTROVERSIAL NOVEL

HK230855 Beijing RENMIN RIBAO in Chinese 20 Jan 86 p 7

[Article by Yi Ping: "How To Evaluate the Novel 'The Other Half of Man Is Woman'"]

[Text] "The Other Half of Man Is Woman" is Zhang Xianliang's work following his previous novel "The Tree in the Desert," both belonging to a series of novels Zhang plans to write. After this novel was published in the fifth issue of SHOUHUO magazine in 1985, it evoked strong repercussions among readers and critics. WENYI BAO, WENHU BAO, BEIJING RIBAO, and QINGNIAN PINGLUNJIA have successively published comments and critical articles on this novel. Some institutions also held forums to discuss the novel.

As for the novel's ideological content and social significance, some people say that it "seriously, bravely, and deeply exposes the cruel suppression of normal human nature by feudal autocracy and asceticism through a shocking story," and it "not only profoundly recalls and condemns that inhuman period, but also sincerely and ardently taps the elements that can recover human nature." But some people warn that the writer should "use refinement to replace vulgarity and use profoundness to replace superficiality." They hold that this book will have an unhealthy social influence. "This novel deepens rather than relaxes our worries about the crisis in our serious literature."

As for the description of sexual relations in the novel, some people say that the novel includes too much explicit description in this regard, which dilutes social relations. Others hold that the novel "exposes, condemns, and analyzes the special atmosphere in that period that caused the distortion of people's sexual psychology, which is a basic element of human nature. The thriving vitality, the burning sexual passion, and people's piquant and frank character under unpropitious circumstances are all the elements of healthy human nature, and these human feelings present a protest against the dark years." They affirm that the novel "positively describes people's self-struggle and their body-and-soul struggle to a profound extent unprecedented in China's modern literature.

Some articles affirm the vivid and colorful artistic feelings of the author, but at the same time they also point out that some surrealistic rational "sublimation" in the novel is harmful to the authenticity of art. This shortcoming is expressed in the contradictory character of the hero, Zhang Yonglin: "His sober and rational mind finds it hard to exist in harmony with his burning sexual passion." "There is no necessary media to link the two extremes of man's natural sexual passion and his serious political and economic ideas." So the story appears a bit farfetched. Some people say that Zhang Yonglin "is merely a hypocrite created by a hypocritical period." Some commenting articles said that it is regrettable to see that the author's vivid and rich feelings were limited and narrowed by "rigid and excessively clear reasoning," and the authenticity of art was spoiled by this.

Some articles expressed regret about the last part of the novel, saying that the author could not accurately describe the mentality of the hero. At the end of the story, Zhang Yonglin tried to free himself from married life under the control of a woman. "This seems to be too unreasonable."

Zhang Xianliang, the author of the novel, openly said during his recent visit to the United States that the criticisms of his works "are normal, and such literary criticism should exist in any country where literature is thriving. Authors should welcome such criticism."

CHALLENGES FACING MARXIST PHILOSOPHY DETAILED

HK230853 Beijing RENMIN RIBAO in Chinese 20 Jan 86 p 5

[Article by Tao Delin: "Marxist Philosophy and Reform" -- excerpted from inaugural issue of Guangdong's XIANDAI ZHIXUE [MODERN PHILOSOPHY]]

[Text] How should Marxist philosophy serve reform? This is a question in which many people are interested. I think that in order to better serve reform, our philosophy theoretical work should first be reformed.

Now people are talking about the fact that Marxist philosophy has encountered some serious challenges or some difficulties. I think that this mainly refers to two aspects. On the one hand, modern science and modern life have raised a series of questions that did not exist in the past, and Marxist philosophical theory has not given convincing answers to these questions. On the other hand, some non-Marxist schools of philosophy have used viewpoints contradictory to Marxist philosophy to answer these questions or have directly attacked Marxist philosophy by name, but Marxist philosophy has not been able to stage successful refutations of these non-Marxist philosophical viewpoints. I do not quite agree with regarding the first state of affairs as a "challenge," because Marxist philosophy itself is closely related to science and people's actual life and neither side will "challenge" the other side. The fact is that science and actual life constantly raise new questions for Marxist philosophy.

As far as the second state of affairs is concerned, it can be regarded as a kind of challenge. Things in both aspects always exist, but we simply turned a blind eye to these facts in the past. Are these things good or bad for us? In my opinion, they are certainly good things. A science will certainly meet new questions and difficulties in the course of its development. Is it not a fact that mathematics, physics, and biology have also encountered difficulties in the course of development? Is it not precisely these difficulties (or "crises") that have promoted their advances? Without dealing with difficulties continuously, the life of a science will come to an end. Religions do not encounter any difficulty, because they never try to deal with any questions which are difficult for them. Because of the limitations of application, some scientific theories will not meet any new questions they cannot solve.

For example, no one expects Newton's mechanics to explain the phenomena that fall into the category of the unified field theory, nor will people attack Newton's mechanical theory for its failure to explain the questions of the unified field theory. Now people require Marxist philosophy to explain new questions, and some people criticize it for its failure to successfully answer these questions. This simply shows that Marxist philosophy has close ties to practice and is a developing science full of vitality. The moment it encounters a difficulty is in fact the eve of its major development. Why do we not regard this as a good thing? It is not terrible whatever "challenges" and "difficulties" Marxist theory may encounter. The terrible thing is that we do not acknowledge the existence of facts and do not take action to meet the "challenges" and to overcome difficulties so as to develop Marxist philosophy. Do we have problems in this regard? I think so. We are not satisfied with our own work, and we feel anxious when it is necessary to reform our philosophical theoretical work in order to adapt our theory to the needs of the overall social reforms. We should review and examine our work in connection with our modernization drive, with changes in the world, and with future development so as to acquire a correct evaluation of the situation and to improve our work.

ZHONGGUO XINWEN SHE REFLECTS ON HU FENG'S DEATH

HK210739 Beijing ZHONGGUO XINWEN SHE in Chinese 0635 GMT 15 Jan 86

[Report by ZHONGGUO XINWEN SHE reporter Lin Hua: "After the Death of Hu Feng"]

[Text] Winter sun shines into the room which was Hu Feng's study when he was alive. In the room, the leaves of the potted plants are freshly green and full of vigor. On the wall hangs a portrait of the old man who led half of his life in frustration. On a table there is a black cinerary urn, on which are inscribed in small characters "Though I had to die nine times, yet I should have no regret, since I am doing what I think is good!" and "Hu Feng (Zhang Guangren) 2 October 1902 - 8 June 1985."

Postponed Memorial Meeting

Half a year ago when Hu Feng died of illness, that study was filled with an atmosphere of grief. A young reporter and I came to gather news and talked sadly with Hu Feng's two sons and his daughter, to find out and report something about Hu Feng's life. For some time, and for various reasons, the memorial meeting for Hu Feng was postponed. People showed concern about this and Hu Feng's relatives felt even more uneasy.

Not long ago, Hu Feng's daughter Zhang Xiaolan called by phone to tell me that her father's memorial meeting would be held in mid January this year and the memorial speech had already been written. When I visited the family again, I saw that their previous grim mood had been swept away and they were much more relaxed when talking with me.

A Definite Conclusion at Last

Zhang Xiaogu, Hu Feng's eldest son and a teacher at the Nanjing Aeronautical Institute, happened to be in Beijing on business and was thus able to attend his father's memorial service. He said that although the memorial meeting was postponed, there was, after all, a correct and definite conclusion after his father's death. With the attitude of seeking truth from facts, the CPC Central Committee confirmed Hu Feng's contribution to revolutionary literature and art and his constant and firm faith in the party, the people and socialism. This would console his dead father's soul.

I inquired about the work of sorting out and publishing Hu Feng's literary works. Zhang Xiaogu told me that the "Collection of Hu Feng's Commentaries" had already been reprinted (in three volumes) at home and that soon the "Collection of Hu Feng's Essays," five collections of Hu Feng's poems and a collection of his translations will be reprinted. They hope that in the future Hu Feng's collected works will be published.

Grandson Zhang Ben

As we were talking, a baby toddled out of a bedroom and Hu Feng's youngest son Zhang Xiaoshan took it into his arms. Xiaoshan is 38 this year, and the baby is his only son. His elder brother Zhang Xiaogu is 51 this year and has two sons, of which the eldest is only 10 years old. All Hu Feng's five grandchildren are grandsons.

"Don't you know that even a tiger often looks back at its baby tiger when it roars fiercely." Hu Feng's youngest grandson was born a few months before he died. He Feng was happy to see his "baby tiger," and named him Zhang Ben. He said that there were few strokes in the character of his name so it was easy to write, and the name had good implications. Today, the baby's grandfather has already left this world for over 200 days, and the baby Zhang Ben, is already 15 months old. His fresh young face is so lovely that it adds warmth and pleasure to that peaceful family.

A Grandson Follows Hu Feng's Instructions and Majors in Engineering in College

"Do not major in arts, do not major in arts." In his lifetime, Hu Feng enjoined his grandson who was soon to take his entrance examination, not to major in arts. Zhang Xiaofeng said that last fall her eldest son entered college to major in engineering related to printing machinery. None of Hu Feng's descendants has ever majored in the arts. His eldest son Xiaogu majored in engineering in Nanjing in the early 1950's. His youngest son Xiaoshan previously settled in Nei Monggol as a peasant and entered the Chinese People's University 5 years ago to major in agricultural economy. Now, he is working in this field at the Chinese Academy of Social Sciences. His daughter did manual labor for a long time in a farm in the suburbs of Beijing. She took the college entrance examination to major in science or engineering 20 years ago but was not recruited. After Hu Feng was rehabilitated and returned to Beijing to take the post as a member of the Standing Committee of the CPPCC National Committee, she was transferred to the post of secretary to her father at the Art Research Institute of the Ministry of Culture. She said that after Hu Feng's death, the task of sorting his work fell to her.

Meizhi, Hu Feng's Wife, Is Grateful

Hu Feng's widow Meizhi, 72, was weak and slim but looked elegant. In the 1930's, she joined the Federation of Leftwing Writers together with Xiao Hong and Xiao Jun. In the 1950's when Hu Feng was wrongly punished, she was also put into prison for many years and suffered much hardship. The old woman has retired and now plays with her grandsons, spending her older years in peace. But she is a writer after all, and she still persists in writing something every day. A collection of poems she wrote for children 30 years ago has already been published by the Hunan Children's Publishing House. After Hu Feng's death, she has spent relatively more time in writing her memoirs to fulfill a task that Hu Feng left unfinished. When the elderly Meizhi showed me out of the living room, she said with emotion that for all his life Hu Feng pursued brightness and loved his motherland and had felt no regret in doing so even though he would have been put to death nine times for that. That spirit of his was confirmed in the memorial speech and the conclusion is just. She felt boundlessly grateful for this.

YANG SHANGKUN ON WRITING MARTYRS' BIOGRAPHIES

HK220752 Beijing GUANGMING RIBAO in Chinese 10 Jan 86 p 1

[Article by Yang Shangkun: "Writing Biographies for Revolutionary Martyrs -- Speech at the Third Meeting of Editorial Work on Biographies of Revolutionary Martyrs Held on 11 December 1984" -- originally carried by ZHONGHUA YINGLIE [CHINESE HEROES AND MARTYRS] magazine, published 5 January]

[Text] The first volume of "Biographies of Revolutionary Martyrs" will be published very soon. I wish to extend my warm congratulations.

How many martyrs were there during the Chinese revolution? I am afraid there were tens of millions. It is not an easy job to write a biography for each one of these tens of millions of martyrs. It is better to choose from among them one thousand or more whose deeds were representative of the exploits of the martyrs. Although we do not write biographies for all martyrs, it is of great significance to gather information about the deeds of the martyrs for whom we will not write biographies, because in so doing, we can find supporting evidence for the deeds of the martyrs whose biographies we will write. We may also find still more representative figures. Without the activities of these people, there would not be history. Writing biographies of revolutionary martyrs is a matter of great significance. Comrade Li Wei-han talked about this question before he died. He was very enthusiastic in this matter. It is a pity that he has left us.

In writing biographies of the revolutionary martyrs, we must apply the historical-materialist viewpoint, neither exaggerating their role nor denying their contributions. We should record their merits and demerits as they were. Everyone has his shortcomings, and no one is perfect. The biographies of the martyrs must be accurate and correct so that these martyrs will be justly appraised. Comrade Chen Yun has given instructions on how the events in northeast China should be recorded.

With regard to Lin Biao, we should say that he played a positive role in the war of liberation in northeast China. As a matter of fact, he fought many battles and was a fighting general in the campaign against "encirclement and suppression" during the civil war. During the criticism against the Lin Biao and Jiang Qing counterrevolutionary cliques, he was described as knowing nothing about war. This was not true. How could he serve as commander of an army group for many years if he knew nothing about war? He did commit a big mistake later. His right and wrong should be recorded as they were. It is incorrect to write him out of history as if there never was such a person simply because he did bad things during his last years. Chairman Mao made a similar appraisal of Chen Duxiu, saying that Chen did meritorious service in founding the party but later was really very bad and turned against the party. Zhang Guotao also made contributions during the early period of the workers' movement but became a renegade later. Such persons are numerous. Some made contributions toward the party but later turned bad. Some were no good during the early period but became good later. That is why the comrades doing biographical work must apply the historical-materialist viewpoint in writing biographies. Comrade Li Wei-han said that accounts must be "accurate." Those who made positive contributions toward the Chinese revolution but turned bad later must especially be justly appraised, otherwise history will be distorted. It is hoped that the comrades will pay particular attention to this point.

I have not read many biographies, and I have read only a few memoirs because I have been busily engaged. Some memoirs have exaggerated some persons and me, and many accounts do not tally with facts. This is pardonable because one is always subject to limitations and if one does not put oneself in a correct position in making observations, one can hardly avoid making mistakes.

Comrade Li Weihsan set an excellent example in this respect. In his several memoirs, he cited historical data and gave accounts of how the events had taken place. He also summed up experience and made self-criticism. These memoirs were well written. Nie Rongzhen's memoirs have been published in three volumes, justly appraising many historical events. "Peng Dehuai's Accounts in His Own Words" was written while he was being persecuted and in the hospital, where no reference material was at hand, so some of his accounts are inaccurate. I once discussed this book with a few comrades. We agreed that because this book was written under special circumstances, his examination of his mistakes was made under duress.

A biography must be accurate and correct. At present the biographies written by some people are not very accurate or correct. I once mentioned to the committee for collecting historical data of the party in the Army that collecting data is one thing and publishing it is another. A biography should be written after repeated deliberations. Generally speaking, the data which has been collected should not be published, or should be published only selectively, because a biographer's view is limited, after all. In particular, a responsible comrade or a comrade who has a relatively high position in the party may have written an account of something which he remembers incorrectly. Once his account is published, other comrades will take it as true history. Actually, his account is not true and his view is limited. In the final analysis, biographies must be written with great care. First, representatives must be selected and repeatedly screened. Second, the biographies must be very accurate, neither denying or exaggerating one's contributions nor hiding one's errors. As far as a comrade who is influential in the party is concerned, his biography is a conclusion. Final judgment can be passed on a person when the lid is laid on his coffin. Such a judgment should be made cautiously and discussed by the group responsible for compiling party history. The biographies of the greatly influential figures written by someone or by a few people should not be taken as final conclusions.

Conclusions for questions concerning the whole situation, major historical events, and prominent people must be examined and approved by the central authorities. No one is permitted to draw conclusions as he wishes. I do not agree with the method of writing and publishing a biography as soon as some biographical data has been collected. In particular, the responsibility of the comrades in charge of the collection of historical data of the party is to collect data and write accounts for future reference. It is up to the higher authorities to decide whether such accounts should be published, but these comrades are not permitted to publish the accounts as they wish. I was told that some comrades of the group responsible for the biography of a certain leading comrade did a great deal of work to gather some material, wrote an article on it, and released the article through another publication for their own good. This is no good. I believe that you, as biographers, will not do such a thing. Why publish articles in a hurry? Moreover, such accounts may not be accurate. Some things are very simple. Take the Zunyi Meeting for example. When was it held? The exact date has yet to be checked. The resolution adopted by the Zunyi Meeting was dated 8 January. This was incorrect, because the meeting had not yet opened on that day. Many things have yet to be checked. We should not draw a conclusion the moment we see a bit of the data. Even if the data is carried in some official documents, the accuracy of some of the data has yet to be verified. It is possible that some dates had been listed incorrectly during the revolutionary war. In short, comrades are asked to be very cautious. In the future when people talk about party history, they will make references to the activities of various people and base their views on the biographies. Wrong biographies will adversely affect party history.

It is my hope that you will continue working hard to complete the biographies of revolutionary martyrs of the four great periods (see footnote) as quickly as possible. Comrades, may you enjoy good health and work hard.

Footnote: Biographies of revolutionary martyrs of the four great periods refer to the "Biographies of Revolutionary Martyrs" presently edited by the Revolutionary Martyrs' Biographies Editing Committee of the Party History Research Center of the CPC Central Committee. Biographies of revolutionary martyrs are scheduled to be published in many volumes covering the period of party founding, the period of the first revolutionary civil war, the period of the second revolutionary civil war, the period of the anti-Japanese war, and the period of the war of liberation. The first volume of "Biographies of Revolutionary Martyrs" was published by the People's Publishing House in November 1985 and distributed by the Xinhua Bookstores throughout the country.

MINISTER INTERVIEWED ON AERONAUTIC DEVELOPMENT

OW271123 Beijing Domestic Service in Mandarin 1200 GMT 24 Jan 86

[Text] In an interview today with a reporter of this station, Mo Wenxiang, minister of aeronautics, said: The development objective of the Ministry of Aeronautics during the Seventh 5-Year Plan period is to ensure the production of goods for military use, to transfer military technology to civilian use, and to increase output of products for export. The ministry will strive to have the output value of aircraft and other products for civilian use account for 80 percent of its total output value in 1990, doubling the present percentage.

Mo Wenxiang said: The current situation in the development of civil aircraft is very good. The Ministry of Aeronautics has decided that in developing civil aircraft during the Seventh 5-Year Plan period, emphasis will be on the development of passenger planes for feeder lines and planes for special agricultural and forestry purposes. New types of aircraft will be developed through the introduction of advanced foreign technology and international cooperation; and efforts will be made to deliver more than 200 planes of various kinds to users in 5 years.

On products for civilian use, Mo Wenxiang said: Various enterprises should switch from turning out products for civilian use as an expedient measure in the past to conscientiously doing so in order to serve economic construction by producing more exports and earning more foreign exchange.

PLA IMPROVES FACILITIES FOR BORDER TROOPS

HK250722 Hong Kong LIAOWANG Overseas Edition in Chinese No 3, 20 Jan 86, pp 12-14

[Article by Wu Kelu: "The Might of the Nation as Observed From the National Gates -- A Chronicle of China's Border and Coastal Defense Construction"]

[Excerpts] Over the past 30 years and more, China has gradually built up its border and coastal defenses. For a variety of reasons, however, the troops which garrison frontier and coastal forts could only live in simple and crude barracks built with stones and wood. In some new border guard stations and coast guard stations, soldiers could only live in thatched sheds, caves, tents, or crude huts built with asphalt felt. This situation lasted for a long time in the past. Moreover, many garrison outposts are located in remote places which are sparsely populated. The natural conditions in those places are generally very bad. There are many problems in water and electricity supply and transport facilities. Over a long time, the task of garrisoning the frontiers was arduous, and our frontier and coast guards have endured great hardships.

Military Expenditure Should Be Used in the Most Needed Places

In 1980, General Hong Xuezhong was reappointed director of the PLA General Logistics Department. During the Korean war, this general made important contributions to the victory by ensuring logistical support for our troops; but during the "Cultural Revolution," he was forced to leave the leading post of the General Logistics Department when falsely charged of being a member of an "antiparty clique." After he reassumed office, the first thing he had to handle was to read piles of papers requiring money for various undertakings. However, the national economy was undergoing a readjustment, and military expenditures had been cut down by some 2 billion yuan.

Deng Xiaoping, chairman of the Central Military Commission, said at a meeting of senior Army cadres: The first thing I did after becoming chairman of the Central Military Commission was to reduce military expenditures. The Army should subject itself to the overall interests of national construction. Can we increase our military expenditure any more? It is impossible. That will certainly affect our economic construction. So, our comrades in the Army should consider how to most economically and reasonably use the money appropriated to the Army in order to really enhance the Army's combat capability.

On the one hand, many undertakings in the Army required money; on the other hand, military expenditures were cut down. That was the difficult problem that the General Logistics Department, which holds the financial power of the Army, had to deal with at that time. The personnel of the General Logistics Department like to quote a famous remark of their chief Hong Xuezhong: "One cannot be considered capable if one succeeds in handling things with sufficient money; only by handling things successfully with insufficient money can one be regarded as capable." The party committee of the General Logistics Department decided to carry out general investigations in the 10 major sectors of the Army's logistics work, including the border and coastal defense facilities, the Army units' finances, hospitals, vehicles, and vessels, the supply of fuel, and warehouses. Then, some major policies would be made on the basis of these investigations. First priority in the investigations was given to the border and coastal defense facilities. Under the direction of five leaders of the General Logistics Department, 10 joint investigation groups were formed and sent to investigate the conditions in all frontier and coast guard stations. The groups were composed of 250 cadres from the logistics departments of all military regions, the Navy, and the Air Forces.

Going to the Remotest Corners of the Country

It was the first time in our Army's history that such a large-scale overall investigation was made. The General Logistics Department required that the investigation groups "visit every sentry post, guard station, and island forts." The investigators overcame all kinds of difficulties, including attacks by snowstorms, lack of oxygen at high altitudes, and the lack of the means of transport. They went to all borders and coasts of the country and paid visits to all guard stations.

Through painstaking efforts in 8 months and after covering a total distance of 200,000 kilometers, they eventually completed the arduous investigations and gathered first-hand information for the making of major policies for the construction of border and coastal defenses. Through overall and careful consideration, the General Logistics Department efficiently worked out a feasible plan for carrying out necessary construction projects for border and island garrison forces.

The plan was approved by Deng Xiaoping, chairman of the CPC Central Military Commission, and Zhao Ziyang, premier of the State Council. Then, the largest-scale construction program for border and coastal defenses since the founding of the PRC was officially started.

Yang Shangkun, vice chairman of the CPC Central Military Commission, particularly instructed that "the money allocated for this construction program must be earmarked for this special purpose and must be managed by special personnel. The quality of the construction projects must be guaranteed, and the completed projects must be subject to examination before they are accepted by the Army."

Dedication to the Construction of Border Defenses

In the 3 years between 1983 and 1985, the PLA General Logistics Department did not ask for extra appropriations from the state for the construction projects for improving border and coastal defenses; instead, it raised the funds by itself and took nearly 800 million yuan from military appropriations to start more than 20,000 construction projects. Apart from leaders of the General Logistics Department, senior commanders of the Army units stationed in various border provinces and regions also took an active part in these defense construction projects having a bearing on our country's safety and security. Some of them even sacrificed their lives in carrying out these projects.

The PLA troops responsible for the construction tasks, under the leadership of their commanders, worked with high enthusiasm for improving our border defenses. They completed 70 percent of the civil engineering works by themselves and saved more than 70 million yuan in expenses. In the course of carrying out these construction tasks, they overcame various difficulties and worked under extremely hard conditions. They successfully fulfilled the tasks in 3 years of efforts.

Offer the Most Advanced Equipment and Technologies to the Army Units Which Garrison the Frontier and Coasts

Director Hong Xuezhi instructed that we must provide the Army units guarding the borders and coasts with the best equipment and technologies. So much new equipment and technologies that had not been generally introduced to the whole Army were first used in the construction of border and coast defenses. These things included solar energy generating systems, wind-driven generators, plastic sheds, glasshouses, and construction of houses on permafrost layers. At present, the Army units garrisoning the borders and coasts have all moved into solid, spacious, and bright new barracks. They also have conference rooms, entertainment rooms, storage rooms, canteens, and arms depots.

The Nation's Might Is Shown at the Nation's Doors

The borders and coasts are the doors of our motherland. The new appearance of the national doors shows the changes which have occurred in the whole country and reflects the increasing national strength. In the past, the border defenses of some of the 12 neighboring countries were built better than ours. Now, when coming across the border to meet our border defense personnel, border defense officers of some neighboring countries feel surprised at and envious of the improvements in our border defense facilities. An officer of the border guards of a neighboring country was surprised to see the fresh vegetables grown by our soldiers in the Gobi Desert. Another officer said: "Your soldiers' barracks are better than the houses of our officers." In the past, when seeing the shabby huts of our border guards, a soldier of a neighboring country used to stretch his little finger; now, when seeing the new barracks of the Chinese border guards, he held up his thumb to express his envy. The new construction works have boosted the prestige of our Army and our country. Our soldiers are also proud of the motherland's strength.

INTERIM BANK MANAGEMENT REGULATIONS ANNOUNCED

OW210010 Beijing XINHUA Domestic Service in Chinese 0147 GMT 16 Jan 86

[Text] Beijing, 16 Jan (XINHUA) -- The Interim Regulations on Bank Management of the People's Republic of China (promulgated by the State Council on 7 January 1986)

Chapter I: General Provisions

Article 1: These regulations are formulated for the purpose of strengthening management of banks and other financial institutions, ensuring the healthy development of financial affairs, and promoting socialist modernization.

Article 2: Banks and other financial institutions that handle deposits, loans, savings from individuals, discounts on promissory notes, foreign exchange, settlement of payments, trust funds investments, financial leasing, sale of securities on behalf of the customer and others shall be governed by the provisions of these regulations.

Article 3: The central bank, specialized banks and other financial institutions should conscientiously implement the state principles and policies in financial affairs and see to it that their financial and business activities help promote the country's economic growth, stabilize the currency and improve the economy.

Article 4: Non-financial organizations are not allowed to handle financial business.

Chapter II: The Central Bank

Article 5: The People's Bank of China is a state organ under the leadership of the State Council, which manages the financial affairs throughout the country. Being the central bank of the state, it should carry out the following duties in an overall manner:

1. Study and formulate the principles and policies for national financial work, and implement them after they have been approved.
2. Study and formulate the drafted financial rules and regulations.
3. Formulate basic rules and regulations in handling financial affairs.
4. Handle the issuance of currency, readjust its flow, and maintain its stability.
5. Handle deposits, determine interest rates for loans, and set the exchange rates between renminbi and foreign currencies.
6. Work out state plans for credit, handle credit funds in a concentrated manner, and manage circulating funds of state-run enterprises in a unified manner.
7. Handle foreign exchange, gold and silver, state foreign exchange reserves, and gold reserves.
8. Screen and approve the establishment, closure, or merger of specialized banks and other financial institutions.
9. Lead, manage, coordinate with, supervise, and audit business of specialized banks and other financial institutions.

10. Manage the state treasury and issue government bonds on behalf of the government.
11. Handle negotiable securities of various enterprises such as shares and bonds, and manage the money market.
12. Engage in relevant international financial activities on behalf of the government.

Article 6: The People's Bank of China handles the insurance business in the country in accordance with the state laws and administrative rules and regulations.

Article 7: The council of the People's Bank of China is the organ of the bank's head office which makes policy decisions. The main tasks of the council are as follows:

1. Examine and discuss matters regarding financial principles and policies.
2. Examine and discuss major issues with regard to state plans for credit, cash, and foreign exchange in the fiscal year.
3. Work out the principles for the establishment, closure, merger, and division of labor in business of the specialized banks and other financial institutions.
4. Study other important matters which involve the entire overall financial situation.

Article 8: The People's Bank of China may set up branches according to its economic development needs. In the area under its own administration, the various branches of the People's Bank of China carry out their own functions and duties and exercise the specific leadership of the Central Bank and manage the financial affairs in their own area.

Article 9: The People's Bank of China should help the specialized banks and other financial institutions transfer funds, coordinate work, provide information, and train qualified people and assist them in expanding their business.

Article 10: The head office and the various branches of the People's Bank of China are held responsible for conciliating and arbitrating business disputes between specialized banks and other financial institutions.

Article 11: The People's Bank of China does not directly handle deposits and loans for any enterprise or individual.

Chapter III: Specialized Banks

Article 12: According to its national economic development needs, the state may set up several specialized banks. In accordance with the prescribed scope of business, the various specialized banks handle deposits, loans, and settlement of payments in domestic or foreign currencies as well as savings deposits from individuals and so on.

Article 13: All specialized banks are independent economic entities in terms of accounting. They enjoy decision-making powers and carry out their business activities independently according to the provisions in state laws and administrative rules and regulations.

Article 14: Specialized banks shall carry out the following basic functions:

1. Work out specific work systems and measures according to the fundamental banking rules.

2. Decide on the extension of loans to enterprises according to the state policies and plans.
3. Float the interest rate within the prescribed limits.
4. Undertake the responsibility for adjusting the transfer of funds within their respective fields.
5. Exercise supervision over credit loans and settlement of accounts.
6. Manage the cash of units having accounts with them according to the state regulations.
7. Oversee the wages of units having accounts with them according to the state regulations.
8. Manage the circulating funds of state-operated enterprises as authorized by the People's Bank of China.
9. Possess and use funds of retained profits according to the regulations.
10. Carry out international banking activities approved by the State Council or the People's Bank of China.

Article 15: When a specialized bank sets up a branch, it shall meet the following requirements:

1. There exists such a need in order to develop the economy, and there is an amount of business commensurate with the scale of the branch to be set up.
2. The establishment of the branch is in conformity with the scope of division of labor.
3. There are qualified personnel to manage the banking work.

4. The establishment of the branch agrees with the principles of economic accounting

The main office of specialized bank shall exercise vertical leadership [chu zhi ling dao 0987 4160 7325 1418] over its branches.

Article 16: The following matters of the main office of the specialized bank shall be reported to the main office of the People's Bank of China for examination and approval:

1. Matters involving work principles and policies stated in the first part of Item 1 of Article 5 of these regulations.
2. Matters beyond the prescribed scope of division of labor.
3. Regulations and rules which are outside the scope of the current fundamental banking rules or involve other specialized banks and which need to be formulated under a unified plan.
4. Formulation and revision of rules of organization.
5. Establishment of branches outside the area.

Matters listed above, if beyond the scope of the central bank's functions and powers stipulated by these regulations, shall all be reported by the main office of the People's Bank of China to the State Council for examination and approval.

Article 17: The following matters of a branch of the specialized bank shall be reported to a branch at the provincial level of the People's Bank of China for examination and approval:

1. Major work regulations formulated in light of the specific conditions of the respective areas.
2. Major changes in the use of credit funds.
3. Regulations and rules that involve other specialized banks in the respective area and need to be formulated under a unified plan.

Article 18: Specialized banks shall send their reports on implementation of credit plans, statistical reports, accounting reports, and work reports to the People's Bank of China in accordance with the regulations.

Article 19: Establishment of specialized banks shall be reported to the authorities concerned for approval in accordance with the following provisions:

1. Establishment of the main office shall be examined by the main office of the People's Bank of China and reported to the State Council for approval.
2. For establishment of a branch at the provincial level, application shall be filed by the main office of the specialized bank to the main office of the People's Bank of China for approval.
3. For establishment of a central branch at the prefectural or city level or a branch at the county level, an application shall be filed by the provincial-level branch of the specialized bank to the provincial-level branch of the People's Bank of China for approval.
4. For establishment of a business unit under the county-level branch, an application shall be filed by the prefectural- or city-level central branch of the specialized bank to the prefectural- or city-level branch of the People's Bank of China for approval.

Article 20: Main offices of specialized banks, as well as the branch offices established with approval, should be issued "Licenses for Operating Banking Business" by the main and branch offices respectively of the People's Bank of China. In accordance with the provisions in the "Regulations for the Registration and Management of Industrial and Commercial Enterprises," they will begin business operations only after they have gone through the registration procedures and acquired business licenses.

Article 21: When it becomes necessary to close down a branch office of a specialized bank which has been established with approval, application should be filed with the original approving units 2 months before the close of its operations. After approval has been given, the branch office should straighten out matters related to its assets and liabilities under the supervision of the original approving units. After this has been done, the "License for Operating Banking Business" and the business license should be turned in and nullified.

Chapter IV: Other Kinds of Banking

Article 22: Other kinds of banking institutions referred to in this chapter include trust and investment companies, rural credit cooperatives, urban credit cooperatives, as well as other banking institutions set up with the approval of the People's Bank of China. Provisions in this regulation that concern specialized banks, with the exception of those contained in other state regulations or those specifically mentioned in this chapter, apply to other banking institutions.

Article 23: In establishing other kinds of banking institutions, in addition to the requirements stipulated in Article 15 of this regulation, there must be a minimum fund required by the People's Bank of China, as well as the articles of association.

Article 24: If truly justified, trust and investment companies may be set up in large and medium-sized cities to handle and look after capital and property on commission, conduct loan business, provide economic consulting service, issue negotiable securities, make investments, and so on. Trust and investment companies will carry out their business activities according to the plan approved by the People's Bank of China.

Article 25: When applying for the establishment of a trust and investment company, the following rules should be followed to obtain approval:

1. Trust and investment companies at the national level will be examined and verified by the main office of the People's Bank of China and submitted to the State Council for approval.
2. Trust and investment companies at the provincial level will be examined and verified by the provincial branch office of the People's Bank of China for approval.
3. Trust and investment companies at the prefectural and city levels will be examined and verified by the prefectural and city branch offices of the People's Bank of China and submitted to the provincial branch office of the People's Bank of China for approval.

Article 26: Trust and investment companies set up by specialized banks in large and medium-sized cities should be independent legal entities, carry out independent accounting, and receive guidance from the People's Bank of China in vocational matters. Specialized banks with no independent trust and investment companies but engaged in credit and trust business, should incorporate all sources and uses of their capital into their credit and loan plans. The revenues are subject to unified accounting by the specialized bank.

Article 27: Credit cooperatives may be set up in rural areas, and large and medium-sized cities. Credit cooperatives are cooperative banking organizations of a mass nature and exercise democratic management. Rural credit cooperatives deal with rural deposits, loans, final accounts, and personal savings. Urban credit cooperatives deal with deposits, loans, and final accounts of collective organizations in urban neighborhoods, as well as industrial and commercial establishments run by individuals. They also handle personal savings deposits and other businesses on commission. The methods for managing, examining, and approving credit cooperatives will be formulated separately by the People's Bank of China.

Article 28: Local people's governments at all levels are not allowed to establish local banks. Individuals are not allowed to set up banks, banking institutions, or operate banking businesses.

Chapter V: Issuance and Control of Currency

Article 29: Centralized and unified control shall be exercised over the issuance of currency. Based on the needs of national economic development, the main office of the People's Bank of China shall submit a currency-issuance plan to the State Council for approval and then make arrangements for its implementation.

Article 30: Financial departments shall not overdraw from the People's Bank of China. The People's Bank of China shall not make direct purchases of government bonds.

Article 31: When handling and transferring funds for issuance of renminbi, the currency-issuing treasuries [fa xing ku 4099 5887 1555] at various levels in the People's Bank of China shall act in accordance with the instructions of such treasuries at the higher level. No units or individuals shall be allowed to violate the regulations to use funds of currency-issuing treasuries.

Article 32: When specialized banks withdraw cash from the People's Bank of China, the amounts withdrawn shall not exceed the balance of their deposits remaining in the relevant branches of the People's Bank of China, and no overdraft shall be allowed. When specialized banks deposit cash into the People's Bank of China, they should follow the latter's cash-handling procedures.

Article 33: Specialized banks shall conduct investigations and study of the circulation of currency and submit periodic reports to the People's Bank of China accordingly.

Article 34: Broken and damaged renminbi notes and coins shall be exchanged for good ones by the specialized banks, according to the regulations of the People's Bank of China, which shall be responsible for recovering the broken and damaged notes and coins for destruction.

Chapter VI: Management of Credit Funds

Article 35: Receipts and disbursements of credit funds by specialized banks shall be included in the state credit program according to the regulations. The state credit program shall be worked out by the main office of the People's Bank of China, and disseminated by the same office to lower levels for execution after approval by the State Council.

Article 36: Deposits in the State Treasury are sources of credit funds for the People's Bank of China. Banks handling the credit business shall not use or transfer such deposits. Procedures for organizations, groups, and PLA units to deposit money connected with their financial management shall be formulated by the People's Bank of China.

Article 37: Specialized banks shall put into the relevant branch of the People's Bank of China a deposit reserve for each deposit acquired. The ratio of the reserve to the deposit shall be decided by the People's Bank of China and shall be subject to adjustment according to the need to ease or tighten the money supply on the market.

Article 38: Branches of the People's Bank of China extend loans to specialized banks on the basis of the credit policy and program and in accordance with a plan approved by the higher-level bank.

Article 39: Specialized banks may borrow money from each other.

Article 40: Specialized banks shall set up reserves for bad debts. The amount of such reserves shall be decided by the main office of the People's Bank of China through consultations with the Ministry of Finance.

Article 41: Foreign exchange credit funds of specialized banks shall be handled in accordance with the provisions of the state foreign exchange control regulations.

Chapter VII: Management of Interest Rates

Article 42: The maximum interest rates for various types of deposit and the minimum interest rates for various kinds of loans shall be set by the main office of the People's Bank of China. After they have been reported to, and approved by, the State Council, the main office of the People's Bank of China shall set differential interest rates pursuant to the state economic policy and make adjustments according to the change in the situation. The main offices of specialized banks shall have a certain authority to float interest rates. The range for floating interest rates shall be decided by the main office of the People's Bank of China. Credit cooperatives may float their interest rates on deposits and loans, based on the rules stipulated and the authority given by the People's Bank of China.

Article 43: In the case of loans for developing priority trades and products in the state development plan, and for projects with good social, but less conspicuous, benefits to the enterprises concerned, an interest subsidy may be given in addition to the preferential treatment granted by the bank. The interest subsidy shall be given by the locality and department approving the subsidy.

Article 44: The interest rates on deposits and loans between the People's Bank of China and specialized banks shall be decided by the main office of the People's Bank of China and subject to adjustment according to the need to ease or tighten the money supply on the market.

Article 45: The interest rate applied to money borrowed by one specialized bank from another shall be decided through negotiations between the debtor and creditor.

Chapter VIII: Management of Deposits, Loans, and Settlement of Accounts

Article 46: The state protects the legal rights and interests of depositors. Depositors can use their deposits independently; no one else can use them.

Article 47: The state protects individual savings deposits and implements the voluntary principle in making those deposits, freedom to draw money from deposits or interest yielded, and ensured privacy for depositors.

Article 48: In extending loans, specialized banks shall strictly comply with the procedure for examination and approval and with the responsibility system. They shall extend loans in accordance with the loan policy and related regulations to ensure the security and effective use of loans. Specialized banks have the authority to examine and supervise the use of loans and to know how the borrowing enterprise is carrying out its plan, as well as the conditions of its operations and management, financial activities, and warehouse inventory.

Article 49: Specialized banks enjoy decision-making power in extending loans. No units and individuals shall be allowed to force the extension or to obstruct the recovery of loans. Without the approval of the State Council, no units have the authority to grant exemption from repayment of a loan.

Article 50: Specialized banks shall maintain sufficient paying capabilities to ensure the timely repayment of various debts.

Article 51: When specialized banks cash drafts or post-dated promissory notes at a discount rate, the drafts or notes shall be limited to those issued in connection with legitimate business activities.

Article 52: When specialized banks transfer money from one account to another in order to help settle payment, it is imperative to safeguard the just rights and interests of both the payer and the payee. Rules and regulations governing such settlement shall be worked out by the People's Bank of China.

Chapter IX: Treatment of violations

Article 53: Branches of specialized banks or other banking organizations established without proper authorization and in violation of the provisions of these regulations shall be ordered to stop operations by the People's Bank of China, their illegal receipts confiscated according to law, and persons directly responsible shall be subject to investigation to determine their administrative liability.

Article 54: In the case of violation of the provisions of these regulations to use the funds of a currency-issuing treasury without proper authorization, it is imperative to recall the money and investigate the person directly responsible for the case to determine his administrative liability.

Article 55: Banking personnel taking advantage of their jobs to seek private gain through extension of loans shall be subject to investigation to determine their administrative liability, and their illegal gains confiscated.

Article 56: Concerning losses suffered in connection with loans, due to dereliction of duty on the part of banking personnel, those directly responsible for the losses shall be subject to investigation to determine their administrative liability.

Article 57: In the case of a branch of a specialized bank or any other banking organization forced to extend a loan, resulting in loss, the person directly responsible for this shall be subject to investigation to determine his administrative and economic liability.

Article 58: Directly responsible personnel referred to in Articles 54 through 57 of this chapter, if their acts constitute criminal offenses, shall be prosecuted by the judicial organ according to law for their criminal liability.

Article 59: In the case of a specialized bank or any other banking organization violating the provisions of these regulations to use or transfer the deposit made by units in connection with their financial management, or failing to put into the People's Bank of China the necessary reserve deposit within the required time limit and in accordance with the prescribed ratio, the People's Bank of China shall deduct the same amount from this specialized bank's deposit, and impose penalty interest at the same rate as that of the loan interest. At the same time, the personnel handling this work and the principal responsible persons shall be subject to investigation to determine their liability.

Chapter X: Supplementary Provisions

Article 60: These regulations are not applicable to banking organizations established in our country as joint ventures with Chinese and foreign investment, or as entities solely owned by foreign interests.

Article 61: For the management of branches of specialized banks and other banking organizations in special economic zones, supplementary regulations shall be enacted by the People's Bank of China on the basis of these regulations.

Article 62: The main office of the People's Bank of China shall be responsible for interpretation of these regulations. Detailed rules for implementation of various parts of these regulations shall be formulated by the main office of the People's Bank of China.

Article 63: These regulations shall take effect on the date of the promulgation.

Commentator's Article

HK220301 Beijing RENMIN RIBAO in Chinese 17 Jan 86 p 2

[Commentator's article: "Regulatory Functions of Banks Must Be Legally Guaranteed"]

[Text] A pressing task confronting the current reform of the economic structure is the establishment of a financial regulatory system suited to our national conditions, organically combining macrocontrol and microflexibility in the financial field. The promulgation and implementation of the "Provisional Regulations of the PRC on Bank Management" is the legal guarantee of performance by the banks of their regulatory functions.

It is extremely important to define the position of banks in the financial activities. In recent years, the People's Bank has performed the functions of a central bank. As some regulations regarding the responsibility for financial management were not specific and clear, there have been differences and contradictions in the financial activities between the central bank on the one hand and special banks and financial organizations on the other. Moreover, it has been difficult to coordinate and arbitrate these problems. Now the "regulations" clearly state that the People's Bank of China, as the central bank of the state, should perform its duty of exercising overall leadership and management over the financial undertakings of the whole nation. The special banks, as economic entities practicing independent accounting, should independently perform their duties and financial activities. Consequently, the legal position of various banks and financial organizations is clearly defined and the relations between the central bank, on the one hand, and special banks and financial organizations, on the other, have been straightened out, helping promote the work and business activities carried out within the scope of the functions and powers of each.

To strengthen management is the essential prerequisite for the banks in fully performing their regulatory functions and for credit funds to yield better social benefits. Due to poor management in banking, the abnormal practices of excessive issuance of currency, granting of loans in a blind manner, and several banks vying with one another in granting loans to the same client ran rampant for a time. In accordance with the requirements of the state on strengthening macrocontrol, the banks achieved certain results in controlling credit and the excessive issuance of currency in 1985. On the basis of a review, the "regulations" make clear stipulations on strengthening management over the issuance of currency, granting of credit funds, and adjustment of interest rates. These measures are absolutely necessary.

According to the "regulations," the special banks have the decision-making power to grant loans. In the past, a number of localities did not respect the functions of banks. The leading cadres there approved applications for loans as they leased and the practice of indiscriminately asking for loans was quite common. Some localities even tried to write off, without authorization, loans already granted and exempt the units concerned from repaying loans, thus incurring financial losses for the state. In accordance with the stipulations of the "regulations," no unit or individual will henceforth be allowed to compel the banks to grant or recall loans. Without the approval of the State Council, no one will have the right to exempt any unit or individual from repaying loans. The banks concerned should undertake economic responsibility and risks in granting loans. Those who abuse the power of granting loans to seek personal gains will be punished according to law.

The "Provisional Regulations of the PRC on Bank Management" is one of China's important financial laws. All localities, departments, and banking organizations should conscientiously abide by the regulations and effectively perform the banks' regulatory functions in the economy.

INCOME TAX TO BE LEVIED ON PRIVATE BUSINESSES

OW250023 Beijing XINHUA Domestic Service in Chinese 0218 GMT 24 Jan 86

[Text] Beijing, 24 Jan (XINHUA) -- Interim Regulations of the People's Republic of China on Income Tax Concerning Urban and Rural Individually-Operated Industrial and Commercial Businesses (Promulgated by the State Council on 7 January 1986)

Article 1: All those engaged in industry, commerce, service trades, construction and installation trades, transport, and other trades, as well as individually-operated industrial and commercial businesses operating with the approval of the administrative departments of industry and commerce, are taxpayers with incomes derived from urban and rural individually-operated industrial and commercial businesses (hereafter referred to as taxpayers). They should pay income tax according to the provisions of these regulations.

Article 2: The taxable income of a taxpayer shall be the excess of his gross income in a tax year over his deductible costs, expenses, wages, losses, and those before-tax expenses permitted by the state.

Article 3: Income tax concerning urban and rural individually-operated industrial and commercial businesses is computed according to the "Ten-Level Tax-Rate Table of Income Tax at Progressive Rates on Sums in Excess of Specified Amounts of Taxable Income" attached to these regulations.

Article 4: A 10 to 40 percent surtax will be levied on any taxpayer's taxable income above 50,000 yuan. The specific measures for this surtax will be determined by the people's government of the province, autonomous region, or municipality directly under the central government.

Article 5: The people's government of the province, autonomous region, or municipality directly under the central government may grant tax reductions and exemptions for given periods to the following taxpayers who have experienced difficulties in paying taxes.

1. The childless elderly, handicapped, and those family members of martyrs engaged in individually-operated businesses;
2. Those providing badly needed services requiring high labor intensity and yielding lower incomes than given standards.

Article 6: Income tax concerning urban and rural individually-operated industrial and commercial businesses shall be computed on an annual basis, and paid in advance in monthly or quarterly installments. The final settlement shall be made at the end of each tax year, with a refund for any overpayment or a supplemental payment for any deficiency. The specific time limit for tax payment shall be decided by the county or city tax authorities.

Article 7: Income tax concerning urban and rural individually-operated industrial and commercial businesses should be paid to the local tax authorities.

Article 8: When a taxpayer starts to operate his business with the approval of the administrative organ of industry and commerce, he should present the pertinent certificates to, and go through tax registration with, the local tax authorities within 30 days after his business license is issued.

Article 9: When a taxpayer ceases to operate, merges and integrates his business with another establishment, sets up a branch, reorganizes his operations, changes the nature of his business or moves his business to another location with the approval of the administrative organ of industry and commerce, he should present the pertinent certificates to the local tax authorities to change or cancel registration, pay all taxes due, and hand in the blank invoices for cancellation within 30 days of the date of approval.

Article 10: The taxpayer should have a set of account books, correctly calculate his profit or loss, and file tax returns with the local tax authorities according to the regulations.

When a taxpayer is unable to present vouchers to accurately calculate costs and expenses and correctly calculate the amount of taxable income, the local tax authorities have the right to appraise and decide the amount due on his income tax.

Article 11: The tax authorities have the right to conduct investigations into the taxpayer's business operations. The taxpayer must make reports according to the facts, and present account vouchers and books and pertinent information. Under no circumstances should he refuse to present the necessary vouchers, books, and information or conceal facts.

Article 12: The taxpayer must make tax payments within the prescribed time limit. In case of failure to do so, the tax authorities, in addition to setting a new time limit for tax payment, shall impose a surcharge for overdue payment equal to 1/2 of 1 percent of the overdue tax for every day in arrears, starting from the first day payment becomes overdue.

Article 13: The tax authorities may exercise their discretion in light of the circumstances to impose a fine under 5,000 yuan on a taxpayer who has violated the provisions of Articles 8, 9 and 11 of these regulations.

Article 14: In dealing with a taxpayer who has evaded or refused to pay tax, the tax authorities, in addition to pursuing the tax payment, may exercise their discretion in light of the circumstances to impose a fine of up to, but not exceeding, 100 percent of the amount of tax that should have been paid. Cases of tax evasion in gross violation of the penal code should be referred to the judicial organ by the tax authorities in order to pursue criminal liability according to law.

Article 15: In case of a dispute with the tax authorities over tax payment, a taxpayer must first pay the tax as prescribed before applying to higher tax authorities for reconsideration. The higher tax authorities must reply within 30 days of receiving the application. If he does not accept the reconsideration decision, he may bring suit in the local people's courts.

Article 16: The Ministry of Finance is responsible for interpreting the regulations. Rules for the implementation of these regulations shall be formulated by the people's governments of various provinces, autonomous regions, and municipalities directly under the central government, and the copies of the rules sent to the Ministry of Finance for the record.

Article 17: These regulations shall go into effect from the beginning of 1986.

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Appendix: Ten-Level Tax-Rate Table of Income Tax at Progressive Rates on Sums in Excess of Specified Amounts of Taxable Income

Level	Annual Income	Tax Rate (percent)	Amount Withheld
			Through rough calculation [Su suan Kou Chu shu 6643 4615 2099 7110 7422] (yuan)
1.	Not over 1,000 yuan	7	0
2.	That part of annual income from 1,000 to 2,000 yuan	15	80
3.	That part of annual income from 2,000 to 4,000 yuan	25	280
4.	That part of annual income from 4,000 to 6,000 yuan	30	480
5.	That part of annual income from 6,000 to 8,000 yuan	35	780
6.	That part of annual income from 8,000 to 12,000 yuan	40	1,180
7.	That part of annual income from 12,000 to 18,000 yuan	45	1,780
8.	That part of annual income from 18,000 to 24,000 yuan	50	2,680
9.	That part of annual income from 24,000 to 30,000 yuan	55	3,880
10.	That part of annual income above 30,000 yuan	60	5,380

Formula To Compute Income Tax at Progressive Rates on Amounts in Excess of Specified Amounts of Taxable Income: Income Tax To Be Paid equals Taxable Income times Applicable Tax Rate minus Amount Withheld Through Rough Calculation

ZHAO ZIYANG MEETS CHILDREN OF LATE KMT GENERAL

OW271530 Beijing XINHUA in English 1523 GMT 27 Jan 86

[Text] Beijing, January 27 (XINHUA) -- Chinese Premier Zhao Ziyang had a cordial talk here today with children of Feng Yuxiang, the late patriotic general of the Kuomintang. They are Feng Fufa, daughter, Richard Hung-chi Feng, son, and Victoria Wei-chen Ku, granddaughter, of the late general. Feng Fufa is a member of the National Committee of the Chinese People's Political Consultative Conference. Richard Hung-chi Feng and Victoria Wei-chen Ku reside in the United States and are in China on a visit.

LEADERS MOURN DEATH OF CPC VETERAN FENG XUAN

OW271406 Beijing XINHUA in English 1320 GMT 27 Jan 86

[Text] Beijing, January 27 (XINHUA) -- More than 400 people from all walks of life paid their last respects here today to the late Feng Xuan, former advisor to the International Liaison Department of the Chinese Communist Party Central Committee. Feng, also a former member of the Central Advisory Commission of the Chinese Communist Party, died of respiratory failure linked to pulmonary heart disease January 16 at the age of 70. Among the mourners today were party Political Bureau members Xi Zhongxun, Qiao Shi, Yang Shangkun, and Wu Xueqian, who laid wreaths by Feng's remains at Babaoshan Cemetery for Revolutionaries. Wreaths were also presented by Hu Yaobang, general secretary, Li Xiannian and Chen Yun, Standing Committee members of the Political Bureau, and Hu Qili, member of the Political Bureau, of the Central Committee of the Chinese Communist Party.

Born in Wujin County of Jiangsu Province, Feng joined the Chinese Communist Party in 1936, engaged in the liaison efforts of the international communist movement and worked in the Foreign Affairs Department. He served as Chinese ambassador to Switzerland, and deputy head of the International Liaison Department of the CPC Central Committee. He was a deputy to the Second and Third National People's Congresses and a member of the 10th and 11th CPC Central Committees. The Condolence Office described Feng as a "long-tested loyal communist who devoted his life to China's revolutionary cause."

LI XIANNIAN VACATIONS IN SHANGHAI, MEETS LEADERS

OW260900 Beijing XINHUA Domestic Service in Chinese 1447 GMT 25 Jan 86

[By reporter Chen Maodi]

[Text] Shanghai, 25 Jan (XINHUA) -- Li Xiannian, member of the Standing Committee of the Political Bureau of the CPC Central Committee and president of the PRC, met with party, government, and Army leading comrades of Shanghai Municipality and some veteran comrades, and had a discussion session with Comrades Rui Xingwen and Jiang Zemin during a vacation in Shanghai from 12 to 25 January. After briefings by responsible comrades of the Shanghai Municipal CPC Committee, Li Xiannian said: "Shanghai Municipality has conscientiously carried out the party's principles and policies and scored remarkable achievements on all fronts. The situation is indeed excellent and encouraging. It tops other localities in the country with total financial revenues of 18 billion yuan, which means a great contribution to the country and the people. I wish you greater successes in the coming new year."

President Li Xiannian also attended an evening gala sponsored by the Shanghai Municipal CPC Committee and had cordial conversations with responsible comrades of the municipal party committee, municipal Advisory Commission, municipal Discipline Inspection Commission, municipal People's Congress Standing Committee, municipal People's Government, CPPCC Municipal Committee, and municipal garrison. President Li extended warm regards to veteran comrades and encouraged young cadres to study and work hard.

HAO JIANXIU COMMENDS SAILORS' FAMILIES

OW241251 Beijing XINHUA Domestic Service in Chinese 1326 GMT 23 Jan 86

[By reporter Li Anding]

[Text] Beijing, 23 Jan (XINHUA) -- Hao Jianxiu, member of the Secretariat of the CPC Central Committee, met today with 68 outstanding family members of Chinese sailors and awarded them Ministry of Communications citations and souvenirs. This is the first time outstanding family members of sailors have been commended in China.

Speaking at a citation meeting on 18 January, Minister of Communications Qian Yongchang said that the development of China's shipping industry cannot be separated from the excellent logistical support of sailors' family members, who take responsibility for all the family chores and allow sailors to concentrate on their jobs. Leading comrades of the All-China Federation of Trade Unions were also present at today's award ceremony.

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XINJIANG TO OBSERVE URUMQI TIME FROM 1 FEBRUARY

HK260343 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 25 Jan 86

[Text] The Xinjiang Regional People's Government recently decided that the region will observe Urumqi time from 1 February. Urumqi time is 2 hours behind Beijing time. The regional government requires that all units clearly indicate "Urumqi time" when quoting the time; units using Beijing time must clearly indicate "Beijing time."

INTELLECTUALS EXPRESS ENTHUSIASM AT TEA PARTIES

O. Beijing XINHUA in English 1434 GMT 25 Jan 86

[Text] Beijing, January 25 (XINHUA) -- Chinese intellectuals are now enjoying better working and living conditions than ever before, and are most enthusiastic about serving the country's modernization program. This is because the government holds knowledge and intellectuals in high respect, and has effectively implemented the policies of the Communist Party of China (CPC) on intellectuals since the Third Session of the Eleventh Party Central Committee in 1978.

This sentiment was unanimously expressed by some 30 noted intellectuals at tea parties held over the past three days. They reviewed the achievements on all fronts in implementing the Sixth Five-Year Plan, (1981-85), and voiced their own determination to contribute to the fulfilment of the Seventh Five-Year Plan, which starts this year. The tea parties were given by the United Front Work Department of the CPC Central Committee to observe the Spring Festival that falls on the ninth of February. Attending were more than 350 non-party intellectuals in the Chinese capital from the fields of education, health and medicine, culture, publishing, science and technology, economics, and physical culture and sports. Some of them were middle-aged or young intellectuals who have distinguished themselves in recent years in academic research and in carrying out reforms.

The speakers also pointed out that many problems await attention. In education, more funds were called for in order to improve middle and primary school education, and better efforts are needed, they said, to strengthen pre-school education. A publications law should also be worked out better equipment and more doctors of traditional medicine were needed, they stressed. A noted chess player proposed that chess classes be added to middle and primary schools.

Yan Mingfu, director of the United Work Department, said that the opinions and suggestions would be conveyed to the party Central Committee and that his department would cooperate with other party and government organizations in helping the intellectuals. He called for frequent contacts with the intellectuals to exchange ideas and discuss ways to solve problems.

POPULATION EDUCATION MEETING HELD IN BEIJING

OW280046 Beijing XINHUA Domestic Service in Chinese 1533 GMT 24 Jan 86

[By reporter Lei Xiaolu]

[Text] Beijing, 24 Jan (XINHUA) -- A national meeting on exchanging experiences in population education began in the Beijing College of Pedagogy this morning. Some 50 population education workers from 14 provinces and municipalities in China are attending the meeting.

Currently, China's population education is mainly conducted in middle schools. More than 6,000 middle schools are teaching population education subjects. Nearly 4 million middle school students have learned population theories in a more systematic way. In 1981, China and the United Nations Fund for Population Activities [UNFPA] signed an agreement on cooperation in population education in middle schools and training of relevant teachers. Since then, the colleges of pedagogics in various provinces and municipalities have trained more than 16,000 population education teachers and compiled a number of middle school textbooks for population education and auxiliary teaching materials.

The primary contents of present population education are China's population policy, the history of population development and the present population situation, population and environment, population and development, human physiology and family planning, inheritance and variation, and population statistics.

The participants at the meeting hold that to control the size of population and improve its quality will depend on several generations making efforts, and that population education should be an important part of middle school education.

Present at today's meeting were Wang Mingda, vice minister of the State Education Commission; and (Jane Chiang), a high-ranking official from the Beijing Office of UNFPA.

COMPARISON OF WU XUEQIAN SPEECH TO NPC SESSION

Beijing XINHUA in English on 16 January at 1248 GMT reports on the speech by Wu Xueqian, minister of foreign affairs, to the 14th Session of the 6th NPC Standing Committee on 16 January. The XINHUA English item has been compared to the Beijing XINHUA Domestic Service version published in the 17 January China DAILY REPORT, page K 1; the following variation is noted:

Page K 4, paragraph two, lines twenty and twenty-one of the XINHUA Domestic Service item read (as corrected in the 22 January China DAILY REPORT, page K 20, "Correction to Wu Xueqian Speech at NPC Session"): We hope that the United States will support with actual deeds, not hamper, China's efforts to realize peaceful reunification.

The ultimate paragraph of the XINHUA English item reads: China hopes that the U.S. will mean what it says in supporting China's efforts for peaceful reunification of the country, and discard its discriminative policies toward China.

FUJIAN'S XIANG NAN CHAIRS CPC COMMITTEE MEETING

OW240549 Fuzhou FUJIAN RIBAO in Chinese 13 Jan 86 p 1

[Text] "To be the leading example for the whole province, provincial organs should first focus on having the leading bodies and cadres take the lead. To rectify organs' party style we should start by strengthening ideological education and correcting malpractices in six areas." The above request was made at the enlarged conference of the Standing Committee of the provincial CPC Committee, which was held yesterday afternoon to discuss how to study and carry out the guidelines of the conference of cadres of central organs. Comrade Xiang Nan presided. Attending were leaders of the provincial CPC Committee, the provincial Advisory Commission, and the provincial Discipline Inspection Commission; responsible comrades of party groups of the provincial People's Congress, the provincial government, and the provincial CPPCC Committee; as well as secretaries of prefectural and city party committees.

During their discussion, the participants reviewed the actual situation in our province, and pointed out that since the 3d Plenary Session of the 11th CPC Central Committee, especially after party rectification, the economic and political situation in the province has been good. However, we have learned from past experience that we tend to neglect the dark side of things as well as ideological and political work when the situation is excellent. In recent years, we have scored remarkable results in strengthening our economy, and yet we have not paid enough attention to improving party style and social conduct.

Although we have made greater efforts in this respect since the second half of last year, we are still far from meeting the requirements of the central authorities. In the course of implementing the guidelines of the circular issued by the general offices of the central authorities, we have found, after tentative exploration and investigation, that malpractices in the six areas do exist in varying degrees in provincial organs. Many other problems, like bureaucracy, procrastination, inefficiency, departmentalism, and an elitist mentality also exist, some of which are fairly common and serious. It was timely and necessary that the party Central Committee proposed to rectify party style in organs, raise efficiency, study hard, tighten discipline, and enhance party spirit. Comrade Hu Yaobang urged party members and cadres in central organs to be examples to the whole country by displaying their excellent work style and noble spirit. By the same token, we, the leading organs of the province, should be an example to all provincial organs and the whole province. We should enhance ideological education, seriously investigate and handle cases of grave importance, further rectify guiding ideology in vocational matters, accelerate structural reform in organs, and combine management with service for grass-roots units. Only when leading organs and cadres strictly discipline themselves can they have the initiative and right to set strict requirements for others.

At yesterday afternoon's conference, the Standing Committee of the provincial CPC Committee resolved to hold a meeting of cadres in provincial organs in the near future to mobilize them to study and implement the guidelines of the conference of cadres in central organs and to continue with their solid work in accordance with the central authorities' requirements, so that provincial organs will usher in the first spring of the Seventh 5-Year Plan with a new style and aspect.

XIANG NAN ADDRESSES FUJIAN CADRES FORUM

OW261300 Fuzhou FUJIAN RIBAO in Chinese 16 Jan 85 p 1

[Excerpts] The Fujian Provincial CPC Committee held a meeting of cadres of provincial organs at Fuzhou's Xihu Theater yesterday morning on implementing the guidelines of the meeting of cadres of central organs.

The meeting called on cadres of provincial organs with party membership to take concrete steps to quickly resolve the serious problems affecting work style in the respective provincial organs, seriously investigate and deal with big or major cases of violation, and set an example for organs at lower levels in achieving a fundamental improvement in party style and social conduct.

Xiang Nan, secretary of the provincial CPC Committee; Hu Ping, deputy secretary and governor; Hu Hong, chairman of the provincial Advisory Commission; Gao Hu, member of the Standing Committee of the provincial CPC Committee and secretary of the provincial Discipline Inspection Commission; and Zhang Zongde, member of the Standing Committee of the provincial CPC Committee and commander of the provincial Military District, spoke at the meeting.

Cheng Xu, chairman of the Standing Committee of the provincial People's Congress, and Yuan Gai, chairman of the provincial CPPCC Committee, were present.

Jia Qinglin, deputy secretary of the provincial CPC Committee, presided over the meeting.

In his speech, Comrade Xiang Nan pointed out: The party Central Committee's initiative in exposing the dark side of the party despite the current excellent situation, its determination to rectify unhealthy practices, and its call to central organs to set an example have rapidly received the enthusiastic support of the whole party, the whole army, and the people throughout the country.

Xiang Nan said: We are determined to greatly improve our party style this year. For certain units, departments, prefectures, and counties in our province, it is entirely possible to achieve a fundamental improvement in our party style this year.

How to rectify the unhealthy practices? Xiang Nan said: After discussions, the Standing Committee of the provincial Party Committee holds: First, it is necessary to strengthen ideological education. It is necessary to carry out study while simultaneously conducting criticism and self-criticism. We welcome criticism and advice from party as well as nonparty comrades, including from our friends of democratic parties. We should be glad to have our errors pointed out by others. We must seriously study Marxism-Leninism and modern scientific management. We must earnestly study the principles governing inner-party political life and last year's Document No 57 of the General Offices of the CPC Central Committee and the State Council in order to raise our understanding and improve our immunity against corrosive bourgeois ideologies. Second, it is necessary to start from rectifying unhealthy practices in six areas and carry out comparison and investigation in each area. Third, it is necessary to seriously investigate and deal with big or major cases of violation. On no account should we be soft toward them. Fourth, it is necessary to stress the need for leading organs and cadres to take the lead with their own conduct.

Xiang Nan concluded: Our province has some 5,000 cadres of departmental and regimental level or above. The quality of the province's party style will be determined by these 5,000 cadres. Rectification of party style must start from these cadres and from the provincial organs.

In his speech, Comrade Hu Ping analyzed Fujian's economic situation. Speaking about strengthening organization construction and rectifying unhealthy practices, Hu Ping pointed out: The key to fundamentally improving our party style and social conduct lies in the six provincial leading bodies, the provincial organs, and particularly in the cadres of leading organs, who must set an example by their own conduct.

While affirming that the main trend in party style in provincial organs is good, Hu Ping sternly pointed out: Various malpractices exist in some departments and units and among a small number of party members and leading cadres. In a few cases, the problem is quite serious. The six problems of party style pointed out by the Central Committee also exist in our provincial organs. Bureaucratic work style, the use of one's position to seek personal gain, and illegal activities in the economic field must be singled out for our special attention.

Hu Ping said: On the part of our provincial government, we did not adequately study the new situation and problems arising from our opening to the outside world and carrying out reform. We were too engrossed in routine work. We erred in our policy decisions on certain specific issues. More often than not we were unable to grasp problems at the lower levels and to make up our minds before the problems worsened. Take the case of fake medicines in Jinjiang and the problems in our trade with Taiwan, for instance. These two incidents were, above all, the result of problems in guiding ideology in our work. In addition, our bureaucratic work style further worsened these problems. We should assume leadership responsibility for them.

Comrade Hu Ping concluded emphatically: Provincial government organs must consciously accept the supervision of the people's congress at the corresponding level or of its standing body. This is very important for improving party style in government organs.

Comrade Jia Qinglin announced at the meeting that the provincial party committee had decided to let its leading group for guiding party rectification exercise unified leadership over the work of rectifying the party style of provincial organs and to establish under the leading group an office in charge of rectifying the party style of provincial organs.

GU XIULIAN ADDRESSES JIANGSU FINANCIAL MEETING

OW240634 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 22 Jan 86

[Text] A meeting of the directors of finance and taxation bureaus from 13 cities closed in Nanjing on the afternoon of 22 January.

Addressing the closing session, Governor Gu Xiulian urged finance and taxation departments at all levels to support and vigorously promote production and development and to fulfill or overfulfill the financial revenue targets for 1986.

The meeting outlined the following major tasks for the province's financial work in 1986:

- A. To extensively implement the guidelines of the National Conference of Party Delegates and the third enlarged meeting of the seventh provincial party committee's Standing Committee;
- B. To persist in reform and vigorously conduct education in this connection;
- C. To increase tax revenue;
- D. To control the scale of capital construction;
- E. To increase financial and economic discipline;
- F. To strike a balance between revenue and expenditure;

- G. To advance persistently and steadily in supporting economic construction; and
- H. To mete out expenses in accordance with the principles of spending within one's means, making overall plans and taking all factors into account, guaranteeing spending for key projects, and not reversing priorities.

Financial departments at all levels in Jiangsu should distribute their financial resources according to the following order of priorities this year:

- A. Guaranteeing funds for increased administrative expenses in carrying out wage reform;
- B. Reserving funds needed for subsidizing meat prices in rural and urban areas;
- C. Supporting the structural reforms of education and science so that increases in the expenditures for carrying out these reforms will be slightly higher than those in regular incomes; and
- D. Appropriately increasing the outlays for agriculture and reserving funds for combating natural disasters and launching relief operations.

The meeting noted: It is necessary to continue to propagate the principle of building the nation through arduous struggle, thrift, and hard work; to adhere to the principle of acting according to one's capabilities; and to avoid overusing one's resources in an attempt to attain all the goals.

HAN PEIXIN ADDRESSES NANJING ORGANIZATIONAL MEETING

OW240545 Nanjing Jiangsu Provincial Service in Mandarin 2300 GMT 22 Jan 86

[Excerpts] A provincial meeting on organizational work ended in Nanjing on 22 January.

Comrade Han addressed the meeting. The meeting pointed out: Efforts should be made to further improve the structure and quality of leading bodies this year.

It is now necessary to strengthen the staffing of leading bodies in propaganda, cultural, educational, judicial, procuratorial, public security, financial, trade, and city management departments. In observing and judging cadres, attention should be paid to their educational backgrounds, diplomas, and actual competence.

In his speech at the meeting, Comrade Han Peixin called on party committees at various levels to pay attention to strengthening party building organizationally. While working out their Seventh 5-Year Plan, party committees at various levels should also devote time to planning their organizational work.

Comrade Han Peixin called for party committees at various levels to further promote the improvement of the cadre and personnel system and to make preparations for further organizational reform. It is essential to thoroughly understand and implement the principle of cadres becoming more revolutionary, younger in average age, better educated, and professionally more competent. The system of lifelong tenure for leading cadres should gradually be abolished.

In conclusion, Comrade Han Peixin called on party committees at various levels to strengthen the building of their organization departments in order to meet the requirements of the new situation.

SHENZHEN OFFICIAL DISCUSSES SWINDLING CASES

HK240608 Beijing ZHONGGUO XINWEN SHE in Chinese 0213 GMT 22 Jan 86

[Text] Shenzhen, 22 Jan (ZHONGGUO XINWEN SHE) -- In the past year, Shenzhen City has tracked down 15 major fraud cases which involved a total sum of 40 million renminbi yuan, more than HK\$10 million, and more than \$1 million. The official of Shenzhen City's Discipline Inspection Department said that the swindlers' activities had the following characteristics:

-- More and more victims of the frauds are collective or state-owned units; and previously, most victims were individuals. In 12 out of the 15 major fraud cases exposed last year, collective and state-owned units were cheated. This category accounted for 180 percent of the fraud cases.

-- Swindlers were not merely jobless people, and many of the exposed swindlers were individual traders and enterprises contracted to individuals. Some frauds were committed by employees of these enterprises or by jobless people from Hong Kong. Most of these swindlers held business licenses, bank accounts, business seals, and invoices. In a fraud case, seven Hong Kong residents headed by one surnamed Xie contracted to run a shopping center in Luohu District in June last year. Then, they used the shopping center's business license, bank account, business seal, and invoices to practice fraud. In a period of 25 days, they swindled 2.13 million yuan out of some units by signing supply contracts worth 30 million yuan.

-- The swindlers mostly resorted to such means as signing false contracts, cheating on payments for goods, commissions, or downpayments, and supplying counterfeit goods of inferior quality. In June last year, the Dongfang Trading Company of Shenzhen City signed a contract to import 83,000 dozen Japan-made "Zebra" pens worth HK\$1,095,600. But the supplier delivered more than 3,000 cartons of waste paper rather than the pens as ordered. The Shenzhen authorities immediately adopted a resolute measure to freeze the supplier's bank account and retrieve all money lost.

-- Some jobless people from Hong Kong practiced fraud by offering false remittance bills. For example, a "manager" of a Hong Kong company signed a contract to buy 50,000 pieces of snakeskin and promised to pay HK\$215,000 in two installments. But after he took the copy of the remittance bill, he asked the bank to cancel the remittance. Then he used the false remittance bill copy to cheat the Shenzhen supplier who delivered 20,500 pieces of snakeskin to him and lost HK\$200,500.

This official called on all people to keep high vigilance against swindling activities and to take measures to plug all loopholes so as to prevent themselves from being cheated.

HAINAN PAYS COMPENSATION TO PLANTATION OWNERS

HK210911 Beijing ZHONGGUO XINWEN SHE in Chinese 0333 GMT 17 Jan 86

[Text] Guangzhou, 17 January (ZHONGGUO XINWEN SHE) -- Tongshi Region of Hainan Island has recently paid 600,000 yuan as the first compensation to the Overseas Chinese and returned Overseas Chinese who are former owners of rubber plantations.

In early 1950's, many Overseas Chinese and returned Overseas Chinese invested in Hainan Island to open up the uncultivated land on the island and plant rubber trees. They overcame enormous difficulties and built one rubber plantation after another, thus making contributions to our country's rubber industry. But, since 1956, because of the implementation of the joint state-private ownership, and the system of people's communes, some units confiscated as feudal property the rubber plantations owned by the Overseas Chinese and returned Overseas Chinese, or redeemed the plantations at a low price when merging them into the state-owned farms.

Some units have even made mistakes in their calculations concerning the number of rubber trees in some plantations. As a result, the former plantation owners had had a lot of complaints about these measures.

Last July, Tongshi Region began to investigate this issue. The results of the investigation show that in the early 1950's, there were, altogether, 11,000 mu of rubber plantations and 220,000 rubber trees owned by the Overseas Chinese and returned Overseas Chinese. Although these rubber trees have been redeemed by the state, generally speaking, the price of redemption was too low.

In order to solve this problem left over from history, apart from allocating funds to pay a reasonable sum of compensation to the former rubber plantation owners, Tongshi Farm Reclamation Bureau has also conducted a careful examination of the rubber trees which were not counted when all the rubber plantations were merged into the state-owned farms in the past, and retroactively paid compensation to the former owners.

HUNAN CONFERENCE DISCUSSES TOWNSHIP ENTERPRISES

HK250349 Changsha Hunan Provincial Service in Mandarin 2300 GMT 23 Jan 86

[Excerpts] A Hunan provincial conference on township enterprises was held in Changsha from 19 to 23 January. Leading comrades of the provincial CPC Committee, Advisory Commission, People's Congress, and government Mao Zhiyong, Xiong Qingquan, Wang Zhiguo, Xie Xinying, and Cao Wenju attended and made speeches.

The conference held: If township enterprises develop rapidly, the level of the productive forces will improve, and agricultural production can then grow steadily and the peasants' incomes will increase. Their knowledge of culture and science can gradually improve, and the state can prosper.

The conference held: In common with other things, the development of township enterprises cannot but bring along some problems on the way of advance. We must by no means avoid these problems. We must continually solve them in our work. We cannot negate the principle on running township enterprises just because they have some specific problems.

Leading comrades of the provincial CPC Committee and government stressed five points on how to strengthen leadership over township enterprises and improve services.

1. Further enhance understanding. Agriculture is the foundation of the national economy, and township enterprises are the foundation of the foundation. Township enterprises represent new productive forces and modes in the rural areas. They are of great significance for developing new cooperative economy and promoting the building of the two civilizations in the rural areas.

2. Further relax the policies and support the development of the township enterprises.

3. Attach more importance to relying on science and technology, and closely integrate developing the spark [xinghuo] plans with developing township enterprises.

4. We should develop more ways of running these enterprises. They should be based on local raw materials, depend on the towns, and make joint efforts to tackle a number of different projects.

5. Service must be further improved. The party and government leaders at all levels, especially the number of one men, must be concerned for township enterprises. The six cities directly subordinate to the provincial authorities have the responsibility to organize coordinated service work.

SICHUAN SECRETARY DISCUSSES SPECIALIZED HOUSEHOLDS

HK241049 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 20 Jan 86

[Excerpts] On 18 January, at a rally to commend 1 million young pioneers in rural areas in our province in getting rich through science and technology, Yang Rudai, secretary of the provincial CPC Committee, emphatically pointed out: Specialized households are people taking the lead in developing the rural commodity economy, are demonstrators and disseminators of getting rich through hard work and through science and technology, and are pioneers in enriching our country and the people. We are firm and unshakable in developing the specialized households.

Comrade Yang Rudai said: Some comrades have said that specialized households have recently received slightly less publicity. Is there any change in the policy? No. The policy has not changed. We will, as always, support and develop the specialized households.

Comrade Yang Rudai said: With a view to guiding peasants to get rich through hard work, we must now do well in several aspects.

1. We must continue to support and develop the specialized households and encourage the peasants to get rich through hard work and through science.
2. Through the policies of rational taxes, we must properly readjust the economic interests among laborers so as to allow the discrepancies between income to remain within the sphere permitted by society.
3. It is essential to seriously help the poor.

In dealing with the second step of rural reform this year, Comrade Yang Rudai said: The general guiding ideology is to consolidate the fruits of reform last year and to make good preparations for taking an important step in reform next year.

In his speech, Comrade Yang Rudai fully affirmed the activities of 1 million young pioneers in the rural areas in our province in getting rich through science and technology. On behalf of the provincial CPC Committee, he expressed four points to the young people in the rural areas throughout the province:

1. It is necessary to be the vanguards in rural reform.
2. It is essential to be the pioneers in getting rich through science and technology.
3. It is necessary to strive to become specialized households and science and technology demonstration households.
4. It is imperative to lead other people to get rich and to take the road of getting rich together.

At the commendatory rally, leading comrades, including Yang Rudai, presented silk banners, citations, and prizes to 53 advanced units and 199 advanced individuals in vigorously carrying out the activities of being pioneers.

NEI MONGGOL BANNER, COUNTY SECRETARIES MEET

SK260240 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 24 Jan 86

[Text] The regional meeting of secretaries of the banner and county CPC committees opened ceremoniously in Hohhot on 24 January. The main tasks of this meeting are to continue studying the documents adopted at the National Conference of Party Delegates; to review and sum up the work and experiences done and gained since the 3d Plenary Session of the 11th CPC Central Committee and, in particular, since the 3d Plenary Session of the 12th CPC Central Committee; to seek unity of thinking, to make a plan for the major work for 1986 and a plan for the work of celebrating the 40th anniversary of the founding of the autonomous region; and to put forward principles and tentative ideas for working out the region's Seventh 5-Year Plan.

Leading comrades, including Zhou Hui, secretary of the regional CPC Committee, attended the meeting. Comrade Bu He delivered a report. Comrade Batubagen made a speech. Comrade Tian Congming presided over the meeting.

Comrade Bu He's report consisted of four parts: first, conscientiously studying and mastering the guidelines of the National Conference of Party Delegates; second, briefly reviewing the work and summing up the experiences done and gained in 1985; third, working out the major tasks for 1986; fourth, improving work style and strengthening leadership.

Comrade Bu He emphatically pointed out in his report: The National Conference of Party Delegates and the 4th and 5th Plenary Sessions of the 12th CPC Central Committee which were held last September were of extreme importance and had profound historic significance for further consolidating and developing the current excellent situation, promoting the development of reform and the socialist construction, and realizing the grand goals set forth at the 12th CPC Congress. Party members of the party organizations at all levels and cadres and people of all nationalities across the region should conscientiously study the guidelines of the National Conference of Party Delegates, seek unity of thinking, and act in accordance with the guidelines of the conference.

While reviewing and summing up the work done in 1985, Comrade Bu He said: Our region has made a sound start in urban reform. The second-step rural and pastoral reform has been carried out in a healthy fashion. The Sixth 5-Year Plan has been satisfactorily fulfilled. Practice has proven that, as with the entire nation, our region's political and economic situation has been improving year after year since the 3d Plenary Session of the 11th CPC Central Committee. The political and economic situation in this period was really among the best since the founding of the PRC. Such a good situation basically resulted from the fact that the party organizations and people's governments at all levels and cadres and people of all nationalities correctly implemented the party's line, principles, and policies; held high the banner of unity and development, persistently carried out reform; and worked diligently.

Comrade Bu He said: Through summing up the experiences gained since the founding of the autonomous region and, in particular, since the 3d Plenary Session of the 11th CPC Central Committee, we basically came to the conclusion that we successfully linked the line, principles, and policies of the central authorities with the region's actual conditions, and that we have held high the banner of unity and development. From now on, we must continue to persist in these experiences. We learned well from the experiences in reform and development gained last year that we must persistently carry out the principle of taking a sound and positive approach, striving for a fast but steady growth rate, acting according to our capability, and striving for real efficiency. We must persistently look inwardly and organically link material interests with ideological and political work in carrying out economic construction and work in other fields.

With regard to the major tasks for 1986, Comrade Bu He pointed out that we must continue holding high the banner of unity and development; deeply study and implement the guidelines of the National Conference of Party Delegates; persistently attend to the two civilizations; unswervingly attach importance to reform; consolidate, digest, supplement, and perfect the existing achievements in and measures for reform; carry forward our strong points and eliminate our weak points in order to better achieve reform and to further promote a steady, coordinated development of the region's national economy; and make efforts to lay a good foundation for the next-step reform and the realization of the goal of doubling the economic targets next year and the Seventh 5-Year Plan.

Comrade Bu He said: In the work for this year, we must focus on grasping the economic restructuring, fully tapping the potentials of the enterprises; developing large-scale agriculture to further promote a steady increase of the output of the agricultural, forestry, and livestock products, including grain; and doing well in grasping party style. The entire region has made notable achievements in improving the party style during the past year. First of all, the regional-level organs and Hohhot City should set an example in this regard.

Comrade Bu He pointed out: The key to fulfilling the tasks for 1986 and achieving new successes in the work in various fields hinges on whether or not leading bodies at all levels, particularly leading cadres at the banner and county level or above, have a spirit of unity and vitality and an attitude of taking the whole situation into consideration, and whether or not leaders maintain responsibility to the people, deal with the concrete matters relating to their work, and have the spirit of doing pioneering work.

The regional CPC Committee called on leading cadres at all levels to be united, take the whole situation into consideration, strive for real efficiency, compete with each other in making good contributions, unite and guide the people of various nationalities across the region to carry forward the spirit of the foolish old man who removed the mountains, make efforts to fulfill the tasks for 1986, arrange the celebrations for the 40th anniversary of the founding of the autonomous region with exceedingly good achievements, and make ceaseless efforts to achieve new successes in realizing socialist undertakings with Chinese characteristics.

Comrade Batubagen made a speech on how to implement the guidelines of the national rural work conference at the meeting.

NI ZHIFU, TIANJIN LEADERS MEET PLA LEADERS

SK190522 Tianjin City Service in Mandarin 1430 GMT 18 Jan 86

[Text] On behalf of the organs of the CPC Committee of the Beijing Military Region, on 18 January Zheng Guozhong, commander of the Tianjin Garrison District; Lan Baojing, political commissar of the Tianjin Garrison District; and other leading comrades presented silk banners to the Tianjin Municipal CPC Committee, the municipal people's government, and 18 advanced units that emerged in the work of helping the PLA carry out the reduction-in-strength reorganization and the campaign of supporting the Army and giving preferential treatment to families of revolutionary army men and martyrs. They expressed thanks to these units for their support to the PLA's work.

Responsible comrades of the municipal CPC Committee and the municipal government including Ni Zhifu, Li Ruihuan, Wu Zhen and Tan Shaowen met with the PLA leaders. They also held intimate talks on further strengthening the unity between army men and civilians and jointly engaging in the four modernizations.

GOVERNMENT WATCHING U.S. ARMS SALES TO PRC

OW271329 Taipei International Service in English 0200 GMT 26 Jan 86

[Text] The Republic of China Government is currently paying very close attention on the United States Reagan administration's moves to sell Air Force radar and navigation equipment to Peking. According to ASSOCIATED PRESS reports in Washington, the Reagan administration and the congressional sources said today, 25 January, the United States President Ronald Reagan is preparing to notify Congress that he intends to sell Air Force radar and navigation equipment to Peking to upgrade its jet fighter planes. The deal, valued at about 500 million U.S. dollars would strengthen United States ties with the communist regime. This could cause strain with some European allies, Japan, and Taiwan. The equipment is designed to upgrade Peking's F-8 interceptor planes. The sale, under discussion for at least one year, would be the second since the United States established diplomatic relations with Peking in 1979. The first was the relatively minor U.S. \$98 million sale of equipment, and the (?design) for Peking to build a factory for artillery and other ammunitions. The administration's effort to gain congressional approval of the sale was due to begin later in the day with the close of the Foreign Affairs Committee hearing. Additionally, the United States will soon seek the approval of NATO allies and Japan who coordinate control of Western technology sales to communist countries.

Foreign Ministry Spokesman

OW252108 Taipei CNA in English 1420 GMT 25 Jan 86

[Text] Taipei, Jan. 25 (CNA) -- Any free nation that provides the Peiping regime with weapons and technologies will beef up Red China's military strength and eventually undermine the security in the west Pacific region, Chiu Chin-yi, spokesman for the Ministry of Foreign Affairs, warned Saturday.

Chiu gave the warning in response to press inquiries about foreign wire service reports that the U.S. Government is planning to sell radar and aviation guidance equipment to help Red China modernize its Air Force.

He indicates that the ROC Government is watching closely the development of this issue.

OFFICER STRESSES VITAL STRATEGIC VALUE TO WEST

OW250401 Taipei CNA in English 0312 GMT 25 Jan 86

[Text] Taipei, Jan. 24 (CNA) -- Judging from its vital position in the Pacific region, the Republic of China in Taiwan, if it continues to stay in the democratic camp, will be very helpful to maintaining the strategic and economic interests of the free world, a top Chinese military officer said in Taipei Friday.

But on the other hand, the free world will feel great pressure if Taiwan falls into the hands of the Peiping regime and becomes hostile to its neighboring countries, General Wego Chiang, [Chiang Wei-kuo] director of the Defense Ministry's Operational Training Department, told a group of foreign visitors who have come here to attend World Freedom Day activities.

Chiang made the comment on Taiwan's position in the world at a seminar sponsored by Tao Hsi-sheng, president of the ROC Strategic Society. Over 100 members of the society and foreign dignitaries were present at the seminar, listening to reports by experts and exchanging views on the strategic situation in the Taiwan Strait and the Pacific region.

If the free world lost Taiwan, the China mainland would lose its opportunity to restore democracy because the influence and pressure exerted by Taiwan on the mainland would no longer exist, and the Soviet Union would also accelerate its expansion in Asia, Chiang said.

Shaw Yu-ming, director of the Institute of International Relations of National Chengchi University, said Taiwan is not only a defender of East Asian nations, especially Japan, but can also strengthen U.S. defense against Soviet expansion in Asia.

Although the U.S. is trying vigorously to associate with Red China to counter the Soviet Union, many strategists still believe that Red China will not help the U.S. fight against the Soviet Union and will remain neutral when the two superpowers clash, Shaw said. This is because Red China knows very well that remaining neutral will best suit its interests, especially when its military strength is still far inferior to that of the Soviet Union, he noted.

Ms. Chiu Chao-lin, an associate researcher at Academia Sinica, said it is impossible for the ROC to discuss its sovereignty with the Peiping regime which is noted for breaking its word. "The sovereignty of a nation is something that cannot be traded or bargained," she stressed.

ENVOY TO SAUDI ARABIA CALLS RELATIONS 'VERY GOOD'

OW180345 Taipei CNA in English 0319 GMT 18 Jan 86

[Text] Riyadh, Jan. 17 (CNA) -- The Republic of China Ambassador Tsai Wei-ping and his wife have returned to their residence at the diplomatic quarter here.

Amb. Tsai flew back to Taipei late last month to report his duties, and latest developments between the Kingdom and ROC.

He told reporters in Taipei that he is confident that the relations between the two countries are very good and that Saudi Arabia's foreign policy toward China remains unchanged.

Meanwhile, an ROC official noted that the delayed ninth session of the Permanent Joint Sino-Saudi Committee on Economic and Technical Cooperation will be held in Taipei at the beginning of May this year.

JOURNAL VIEWS CHANGE IN RENMIN RIBAO DIRECTOR

HK270729 Hong Kong KUANG CHIAO CHING in Chinese No 160, 16 Jan 86 pp 12-14

[Article by Ai Pi-hsi: "Inside Story of RENMIN RIBAO Change of Director"]

[Text] The RENMIN RIBAO change of director has attracted widespread attention abroad, giving rise to much talk and speculation.

In the Past, a Change in the Chief Responsible Person of RENMIN RIBAO Has Often Been Related to a Change in Politics in Mainland China

As the CPC mouthpiece, RENMIN RIBAO is in a very important and sensitive position. In the past, a change in the chief responsible person of RENMIN RIBAO has often been related to a change in politics in mainland China. Moreover, prior to the current reshuffle in personnel, a Hong Kong journal reported that an investigation group sent by the Central Discipline Inspection Commission had already been stationed at the RENMIN RIBAO office, in order to solve the problems of Liu Binyan and Wang Ruoshui, which has caused the current change of director at RENMIN RIBAO to attract greater attention.

A Sign of a Tightening Up of Beijing's Policy?

However, when the news spread that Qian Liren had replaced Qin Chuan as Director of RENMIN RIBAO, the Hong Kong press held differing views on the matter. For example, one journal held that the "sudden removal from office" of Qin Chuan was due to the fact that he has for a long time failed to draw a demarcation line between himself and Hu Jiwei and Wang Ruoshui; therefore this serves as "one of the signs of Beijing's tightening up of late."

A newspaper holds that Qian Liren is one of the comparatively younger cadres whom Deng Xiaoping has put into important posts, and the fact that he has been appointed director of RENMIN RIBAO is a measure of how the "opening up school" is strengthening its "important stronghold of culture and propaganda." These diametrically opposed analyses appeared simultaneously, which has rather confused people.

The True Cause Discovered During a Trip to Beijing

What is the real reason for the change of director at RENMIN RIBAO? When the author went to Beijing toward the end of 1985, he made wide contacts with some friends in the press, and received direct information from an experienced editor of long standing with RENMIN RIBAO, and finally obtained a clear picture of the background of the current reshuffle.

The "Earthquake" Has Greatly Weakened RENMIN RIBAO

The whole thing started from the "earthquake" in RENMIN RIBAO that took place in 1983. In the campaign to "eliminate spiritual pollution" at that time, the then director Hu Jiwei, who had twice handed in his resignation so that a younger person could replace him, but who had been twice rejected, found his third resignation readily approved. It was announced that deputy chief editor Wang Ruoshui had been removed from office and appointed to another position. Former chief editor Qin Chuan took over the post of director, and was succeeded in the post of chief editor by the previous deputy chief editor Li Zhuan. That reshuffle greatly weakened RENMIN RIBAO. The leading body at the top level has gone from five members, comprising the director, the chief editor, and three deputy chief editors, to only three, the director, the chief editor, and a single deputy chief editor.

The Emergence of a State of Semiparalysis

In an organ like RENMIN RIBAO, with each of its words and actions catching the attention of all, its internal work highly intense, and its external contacts wide and complex, the three sole members of the leading body at the top level have found it very difficult to cope with the situation. In winter 1984, preparations for the overseas edition began, and its initial issue was published in July 1985. Tan Wenrui, the sole deputy chief editor, exerted all his efforts in taking care of the overseas edition, and he had no time to take care of other matters. The two editions of the paper must certainly be published daily. However, concerning internal work, in the words of some office personnel, it seemed that a state of semiparalysis had emerged, with nobody able to make a final decision.

It seems that over the past 2 years and more, the CPC top echelon has been continuously considering strengthening the leading body of RENMIN RIBAO. It was said from the very beginning that several writers of the Research Office of the CPC Secretariat, with Deng Liqun as the director, would be transferred to the RENMIN RIBAO office to take charge of the commentary and editing work. Later, it was said that the provincial CPC committee secretary of a province in the central plains would be transferred to Beijing to take charge of RENMIN RIBAO. Still later, rumor had it that people from the CPC Central Committee Propaganda Department, the Beijing Municipal CPC Committee, or a provincial newspaper would be transferred to support RENMIN RIBAO. But none of these expectations were realized for various reasons.

All Members of the Leadership Stratum at the Top Level Are Over the Stipulated Age for Retirement

In order to implement the principle of the leadership being younger in average age, it is all the more necessary to strengthen the leading body of RENMIN RIBAO, which is pressing for readjustment.

Both the director and chief editor of RENMIN RIBAO enjoy ministerial treatment. At present, Qin Chuan is 66, and Li Zhuan is 67; both over 65, the age stipulated for cadre retirement at ministerial level. The deputy chief editor enjoys deputy ministerial treatment. Tan Wenrui is 63 this year, over 60, the age stipulated for the retirement of cadres at deputy ministerial level. Although the retirement age for professional personnel in press organs is not as rigid as for administrative cadres, personnel in leading posts are required to retire at a certain age. RENMIN RIBAO reshuffled its leading bodies at all levels in 1985, and the responsible persons of all departments over the age of 60 have now retired, and been replaced by younger personnel. It is certainly inappropriate for the leadership at office level to be occupied by a leading body which is over the stipulated retirement age.

Therefore, it is said that the Central Secretariat made the decision back in autumn 1985 that the director and chief editor of RENMIN RIBAO should be younger in average age; however, in order to guarantee work in the office, of Qin Chuan and Li Zhuan, one of them would remain in his post for the time being.

The Choice Between Qin Chuan and Li Zhuan

Who would finally stay? To make the choice, great efforts seem to have been exerted. It is disclosed that since the late thirties, Li Zhuan has been engaged in journalism, and he has worked for RENMIN RIBAO since its first issue. He is very familiar with running a newspaper. Qin Chuan was a propaganda cadre in the days of Yanan and in the fifties. Later, he was assigned to take up leading posts in factories and schools successively. He was assigned to work at RENMIN RIBAO only after the conclusion of the "Cultural Revolution," and obviously is not as experienced as Li Zhuan in running a newspaper.

However, for a long time Li Zhuan has been working on news items, and he is rather overcautious, while Qin Chuan is bold in his work, and is more capable than Li Zhuan in handling external ties. Therefore, the personnel in the RENMIN RIBAO offices and relevant departments held different opinions as to whose staying would be more favorable to the work in the future.

The CPC Central Committee Organization Department Sent Its People To Solicit Suggestions in RENMIN RIBAO Offices

It is precisely because of this that Qin Chuan remains a member of the CPC Central Committee, despite the reshuffle in the personnel of CPC Central Committee organs in September 1985, or his future in RENMIN RIBAO was quite unsettled, as to whether he was staying for leaving. It was not until November 1985 that the CPC Organization Department sent several persons to solicit suggestions widely in the RENMIN RIBAO office, and the final decision was made that Qin should go and Li should stay.

It Is Not a Sudden Removal From Office for Qin Chuan

So that is the whole story of Qin Chuan's removal from office. Our friends in the Beijing press say: In the eyes of Hong Kong people, Qin Chuan seems to have been "removed from office" suddenly. But those who know the inside story say this is a natural course of development for the leading stratum of the RENMIN RIBAO office to become younger in average age, which is nothing extraordinary.

Neither Has Qin Chuan's Removal From Office Anything To Do With Showing Sympathy for Hu Jiwei and Wang Ruoshui

So, is the decision to remove Qin Chuan from office related to his failure to "draw a demarcation line" between himself and Hu Jiwei and Wang Ruoshui? Regarding this question posed by the author, the experienced editor of long standing with RENMIN RIBAO answered: "To say all the people in our office have supported Hu Jiwei and Wang Ruoshui might be rather absolute, but at least the majority of them have done so. Some Hong Kong newspapers and journals have reported on this, have they not? When the personnel of the office made their suggestions on whether Qin should go and Li should stay, it was chiefly out of consideration for making the process of the replacement of the leading body smoother, and by no means did they take into consideration that Qin Chuan has shown sympathy for Hu Jiwei and Wang Ruoshui, and therefore would not let him stay for the time being." He holds that such an analysis by Hong Kong people seems to be over-sensitive.

The Central Discipline Inspection Commission Did Not Send an Investigation Group to the RENMIN RIBAO Office

How to account for the investigation group sent by the Central Discipline Inspection Commission to the RENMIN RIBAO office? A veteran editor of RENMIN RIBAO disclosed to me: "This is entirely a rumor." As the matter stands, the Central Discipline Inspection Commission had received material exposing some problems of RENMIN RIBAO, and summoned some personnel of RENMIN RIBAO in order to learn the actual situation. No investigation group was ever sent to the RENMIN RIBAO office. However, the CPC Central Committee Organization Department did send people to the RENMIN RIBAO office, to handle the reshuffle of the leading body. The two affairs have been mixed up in the course of the news spreading. Also, the cases of Liu Binyan and Wang Ruoshui were a concern of people outside the RENMIN RIBAO office. Thus, the whole thing was said to be CPC Central Discipline Inspection Commission, sending an investigation group to be stationed in the RENMIN RIBAO office in order to solve the problems of Liu Binyan and Wang Ruoshui.

Why Was the Director of the RENMIN RIBAO Office Not Selected and Promoted From Among Cadres Within the Office Itself?

When the Central Committee Organization Department sent people to the RENMIN RIBAO office, was it simply to find a solution in choosing between Qin Chuan and Li Zhuan? "Of course not." The veteran editor said: "It is necessary to enhance the leading body of the office. The Central Committee Organization Department has also solicited opinions on who could be promoted to the leading body."

"Why was the director of the RENMIN RIBAO office not selected and promoted from among cadres within the office itself?" the writer pressed further.

"I am afraid I am not in a position to answer that question." The veteran editor used, and continued: "However, it is obvious that the director of RENMIN RIBAO must keep in constant touch with the central authorities, and he should be able to attend the meetings of the Central Secretariat as a nonvoting member. Therefore, it is best for a member of the Central Committee to take the post. At present, it is obvious that the office has failed to find within itself such an appropriate person to take the post. However, the deputy chief editor will be selected from among cadres within the office itself, I think."

Are There Any Disputes Concerning Reforms Within RENMIN RIBAO?

"It is said that disputes have emerged within the office concerning how to deal with reforms. Is that true?" At this question from the writer, the veteran editor looked surprised, and asked what the writer was referring to. The writer briefed him the fact that some Hong Kong journals had carried the article by Lin Li. He seemed to grasp the point and said: "Yes, it did happen. Lin Li has written many articles giving a briefing on the Shenzhen Special Economic Zone. Some people feel that these articles have fully affirmed Shenzhen and overpraised its accomplishments, but have failed to point out its shortcomings and, hence, are one-sided. Lin Li does not agree with such criticism, and has written an article in refutation. That is the whole course of the matter."

"The personnel of RENMIN RIBAO resolutely support reforms, as can be proved by our newspaper. However, differing opinions often arise between editors and reporters as to whether some reports on reforms are well written or not. It is only normal for different opinions to exist and for there to be open discussions about them." Having briefed me on this situation, the veteran editor said somewhat humorously: "In fact, 'disputes' of this category are nothing new. They have a long history."

Why Was Qian Liren Selected?

Based on the author's coverage of Beijing, it seems that the current reshuffle of personnel in RENMIN RIBAO is not "one of the signs of the recent tightening up in Beijing," but is precisely one of the signs of Beijing persisting in reforms. Qian Liren, who has succeeded Qin Chuan, may well demonstrate this point with his personal experiences and political attitude; and the essence of RENMIN RIBAO since Qian Liren took office on 10 December 1985 may also demonstrate it.

Why has the CPC top echelon finally selected Qian Liren, who has no experience whatever in running a newspaper, to take charge of RENMIN RIBAO? One of the explanations the writer was given is: Under the situation of further opening up in mainland China with each passing day, RENMIN RIBAO should also be opening up as well, in order to make the essence of its reporting and work style suit the needs of facing the world. In the past, neither Hu Wei Ji nor Qin Chuan was good enough in this respect, because of the limitation in their experiences. It is precisely to open a new situation in this respect that Qian Liren, who has long been working on international liaison work abroad, was appointed to the post of director of RENMIN RIBAO.

As the CPC Central Committee organ, what will be the future trend of RENMIN RIBAO? From that we may understand the pulse of change in China.

NPC 4TH PLENUM NOT TO DISCUSS HONG KONG, MACAO

HK280403 Hong Kong HONG LONG STANDARD in English 28 Jan 86 p 5

[Text] The coming session of the National People's Congress of China in March will not discuss Hong Kong's Basic Law.

A visiting member of the NPC standing committee, Mr Hu Ke shi told THE STANDARD he had received no agenda on any affairs on Hong Kong or Macao for the fourth plenum of the Sixth NPC which will begin on March 25.

Neither the NPC nor its Standing Committee had requested the Basic Law Drafting Committee to regularly submit progress report for scrutiny, Mr Hu said.

He was speaking to reporters after a launching ceremony of a Chinese publication in Hong Kong. He said the Standing Committee had fully entrusted the Drafting Committee to carry out the whole work and they would not step in the drafting process. The legislative body of China would only start discussion on the Basic Law after the Drafting Committee has completed the work or if it feels it necessary to hold discussion by the standing committee during the drafting process, he explained.

But if NPC delegates ask for a progress report, they may get one, Mr Hu said.

The full NPC will meet to approve the Seventh Five-Year Plan, for 1986-1990, the state's financial accounts for 1985, and the state budget and development plan for 1986.

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